IMMIGRATION
Myths and the Facts
BEHIND THE FALLACIES

LABOR, IMMIGRATION & EMPLOYEE BENEFITS DIVISION
U.S. CHAMBER OF COMMERCE
Dear Reader,

There is a great deal of misinformation regarding the effects of immigration, and it is critical that the public and policymakers are educated about the facts behind many of these fallacies. The Chamber’s Labor, Immigration & Employee Benefits Division has compiled this document to refute many of the most common immigration myths.

There are numerous studies and carefully detailed statistical reports outlining the positive effects of immigration, at both the federal and state level. It is time to debunk the rhetoric that has prevented comprehensive immigration reform from being realized, and revisit the debate with fact-based, clear logic.

This compilation of information shows that immigrants significantly benefit the U.S. economy by creating new jobs, complementing the skills of the U.S. native workforce, and increasing wages for the overall population. Immigrants also pay the same taxes as U.S. residents, are unable to receive welfare benefits, assimilate at much the same rate as past waves of immigrants, have a much lower incarceration rate than U.S. natives, and will continue to be an important labor force needed to replace the aging U.S. workforce.

The U.S. Chamber of Commerce will continue to work for common-sense comprehensive immigration reform, and we urge you to join us in our efforts.

Sincerely,

Randel K. Johnson
Vice President
Labor, Immigration & Employee Benefits
MYTH: Immigrants take jobs from Americans.
FACT: Immigrants create new jobs, and complement the skills of the U.S. native workforce.

The immigrant labor force does not replace U.S. workers; rather, it complements the U.S.-born workforce. Immigrants tend to have skill levels at the very high and at the very low end of the spectrum and help create jobs that previously did not exist. Immigrants do not tend to compete with comparably educated natives; instead they complement natives and encourage specialization, having little overall effect on natives' wages. Low-skilled immigrants and low-skilled natives are not perfect substitutes for each other.\(^1\) Immigration and specialization lend themselves to a more productive society, and increase wages across the board.\(^2\)

The U.S. workforce is becoming older and better educated, and yet there is still a need for low-skilled workers. In the 1960s, about half of the men in the United States joined the low-skilled labor force; now it is only about 10%. However, the United States continues to create jobs for low-skilled workers.\(^3\) Replacing the baby boomers through 2016 is expected to generate 33.4 million job openings, while economic growth is expected to create an additional 17.4 million job openings.\(^4\)

Growth in immigration is a form of labor replacement for the aging U.S. workforce. For example, a study of immigrants in Arkansas found that from 2000 to 2005, the native-born population in that state did not grow at all, while the number of immigrants rose, slowing the decline of the Arkansas manufacturing sector.\(^5\) As numerous studies have shown, undocumented immigrants usually arrive in the United States when the economy is growing and move to areas where there is strong job growth.\(^6\) The U.S. unemployment rate remains relatively low at 6.1%,\(^7\) and economists have found that if there is any relationship between immigration and unemployment, it is that higher immigration is associated with lower overall unemployment.\(^8\)

At the other end of the spectrum, highly skilled immigrants tend to have an even greater impact on job creation. A recent study found that for every H-1B worker hired, five new jobs were created.\(^9\) Immigrants come to the United States to fill available vacancies, not to take jobs from American workers.

MYTH: Immigrants drive down the wages of American workers.
FACT: Immigrants increase overall economic productivity and have no significant effect on overall wages for American workers.

While there have been economic studies that claim to prove that immigration drives down wages, most economic studies have found the opposite—that immigrants either have
a positive effect on wages or a near negligible effect. The impact on the wages of workers tends to fluctuate from study to study but seems to cluster around 0%. Immigrants tend to have a positive effect on the economy because they differ from U.S. natives in their educational and skill levels, and because more workers in the U.S. labor force increase productivity and stimulate the creation of new business. Many jobs simply would not exist if immigrants had not come to the United States.

Economist Giovanni Peri measured immigration's impact over the span of a decade, and his study revealed that the average yearly wages of U.S. native-born workers increased 1.8% because of immigration. Admittedly, some studies have found that native-born workers without a high school diploma tended to face some negative consequences due to immigration, but they lost only 1.1% of their yearly wages because of immigration. According to other research, a 10% increase in the number of immigrants might decrease wages by less than 1%. However, numerous other studies have shown the opposite—that even low-skilled native-born workers have an overall increase in wages due to immigration. For example, two studies on communities with a large influx of immigrants over a short time period found that wages increased, even for the low-skilled workers most likely to feel the competition of new immigrants, because immigrants stimulated both labor supply and demand. Further research has also shown that, by and large, the average effect of immigrants on wages of U.S.-born workers is positive, but it tends to be more positive for highly educated workers, with little impact on those without a high school diploma.

Studies have also found at the local level that there is little to no impact on wages. In a study of more than 100 cities, economist David Card found that the wages of natives tend to be higher in high immigrant population cities. Further, in Arkansas, poverty actually fell during the economic boom and wave of immigrants of the 1990s.

**MYTH:** Immigrants will cause massive, unnecessary population growth in the United States.

**FACT:** As the baby boomer generation begins to retire and the U.S. fertility rate declines, it will be necessary to replace our aging workforce with immigrants to maintain economic growth.

The composition of the U.S. population will change significantly in the next few decades. While the overall population will increase, the baby boomer generation will begin to retire, changing the entire dynamic of the U.S. population and workforce. The U.S. Census Bureau found that women are now ending their childbearing years with an average of 1.9 children each, which is below the 2.1 needed for replacement-level fertility. Further, over the last 40 years, women entered the workforce in record numbers, helping to increase U.S. economic development and productivity, but the labor force participation rate is expected to remain flat at around 66%. While the population is growing at about 0.9% annually,
without immigration, the workforce would likely shrink. The aging workforce, combined with lower fertility and no expected increase in labor force participation, has the potential to lower GDP and economic growth.

In 2030, about one in five U.S. residents is expected to be 65 or older. This age group is projected to more than double the current number (38.7 million) to 88.5 million by 2030. The age group of those 55 and older is expected to increase by 20 million by 2016, which is almost equivalent to the total expected increase in population. Replacement of the baby boomers in just the next decade is expected to generate 33.4 million job openings, while economic growth is expected to create 17.4 million job openings. Job projections show that the baby boomer generation is going to create jobs not just because they are leaving the workforce, but also because they are going to need an increase in health care and social assistance.

Immigration to the United States peaked at the end of the 1990s and has been slowing down since 2000. However, immigration is expected to help the U.S. economy fill the labor force gap as the baby boomers retire. Approximately one-fourth of projected labor force growth will be because of immigration. Jobs requiring a bachelor’s degree are anticipated to grow at a faster rate than other occupations, yet occupations that only require short or moderate “on-the-job” training will account for about half of all jobs by 2016. Of the top 30 fastest-growing occupations, 18 are in professional and related occupations, and 10 are service occupations. Immigrants continue to come to the United States to fill jobs in a growing economy. To maintain an annual GDP growth between 2% and 3%, the U.S. economy will need workers to fill jobs as the baby boomers begin to retire.

**MYTH:** Undocumented immigrants do not pay taxes.

**FACT:** Undocumented immigrants pay billions of dollars in taxes each year, often for services they will never receive.

Undocumented immigrants pay the same taxes that all U.S. residents pay. Most undocumented immigrants have provided an employer with counterfeit documents, so typical payroll taxes, such as federal income tax and Social Security and Medicare taxes, are automatically deducted from their paychecks. Immigrants actually have a positive impact on the solvency of Social Security and Medicare—in 2007, the Old-Age, Survivors, and Disability Insurance (OASDI) Trustees Report noted that 100,000 net new immigrants a year would increase the long-range actuarial balance by approximately 0.07% of taxable payroll.

There is more than $586 billion accumulated in the earned suspense file, or unmatched Social Security Administration (SSA) contributions. The earned suspense file is growing
by about $66 billion a year. These unmatched funds exist largely because of taxes paid by undocumented immigrants.

Many undocumented immigrants, if not through payroll taxes, also obtain Tax Identification Numbers (TINs) to pay taxes because they want to ensure that they are obeying the law.

Undocumented immigrants also purchase goods and services where they live and pay sales tax on those goods, as well as property taxes. In Colorado alone, undocumented immigrants paid between $159 million and $194 million through state and local sales, property, and income taxes. In Georgia, the average undocumented family contributed between $2,340 and $2,470 in local and state sales, property, and income taxes. In Oregon, undocumented workers paid between $134 and $187 million a year in taxes, and their employers contributed an additional $97 to $136 million a year in taxes.

**MYTH:** Immigrants come to the United States for welfare benefits.

**FACT:** The law forbids immigrants from using welfare services.

Immigrants, even legal immigrants, do not have access to most welfare benefits, under the Personal Responsibility and Work Opportunity Act of 1996, until they have been legal permanent residents for at least five years. The only benefits that immigrants are able to access are emergency health care (as mandated by law) and public elementary and secondary schooling for their children (also as mandated by law). While providing these two types of services can prove to be challenging for some communities, the percentage of immigrants using these services is small. For example, only 1.5% of elementary schoolchildren were undocumented, and only 3% of secondary children were undocumented. Undocumented immigrants do not qualify for: food stamps, Social Security, Supplemental Security Income, Temporary Assistance for Needy Families, Medicaid (except for emergency services), Medicare “Premium Free” Part A, and public housing and Section 8 programs.

Research has shown that immigrants use public services less than natives, and the immigrant groups that do use public services are refugee groups, not undocumented immigrants. Many states, such as Arizona, Texas, and Arkansas, have completed studies which found that immigrants have a positive net fiscal impact on their state budgets. In Florida, immigrants pay nearly $1,500 per year more in taxes than they receive in benefits. Even if all of the undocumented immigrants were granted legal status based on previous legislative proposals, they would not be eligible for green cards for at least eight years, and then they would have to wait five more additional years to be eligible to receive most public benefits.
MYTH: The Government should just enforce the law to solve our immigration problems.

FACT: Enforcement alone will not solve our immigration problems. The cost would be prohibitive, it would have a detrimental effect on the U.S. economy, and it would simply push certain immigrants further into the underground economy.

Rounding up and deporting the estimated 12 million undocumented immigrants in the United States would take an enormous amount of effort and money. Deporting undocumented immigrants would cost at least $206 billion over five years, or roughly $41 billion annually over five years. These costs currently exceed the entire budget for the Department of Homeland Security.

If all the undocumented were removed from the country, the immediate negative effect would be $1.76 trillion in annual lost spending and $651.51 billion in annual lost output.

Undocumented migration has been shown to respond most directly to the fluctuation of the business cycle. For example, migration has decreased in 2008, responding to the U.S. economic downturn. Increased border security has simply caused the increase of coyotes, or people smugglers. There have also been other unintended consequences to increased border security. For example, traditional migrants from Mexico came to the U.S. to work for 6-12 months and then return home, but because of the expense of hiring a coyote, these migrants are now choosing to stay permanently.

Enforcing the law alone will not solve our immigration problems, but a more rational immigration system that meets America’s economic need for workers will. Numerous security experts have testified before Congress saying that regularized, legal immigration flows will assist border security personnel to focus on the security threats, instead of on legitimate workers. Previous guest worker programs, such as the Bracero program, have proven to significantly lower illegal border apprehensions when legal means are in place for workers to come to the United States. Making life more difficult for undocumented immigrants may cause some to leave, but the majority will find a way to stay and will likely be further pushed into an underground economy.

MYTH: Immigrants are not assimilating.

FACT: Immigrants are assimilating at much the same rate as past waves of immigrants.

Every wave of immigrants have been accused of not assimilating into American society. Two of the primary charges are that the new wave of Latino immigrants is larger than...
any wave of immigrants in the past, and that they are simply not interested in learning English. In terms of gross numbers, there are more immigrants currently entering the United States per year than in the past, but the entries are still a lower percentage of the population than during past waves of immigration. For example, during the 1990s, about 1.5 Mexican immigrants entered for every 1,000 U.S. residents per year. In the mid-19th century, there were an estimated 3.6 Irish immigrants entering each year for every 1,000 U.S. residents.54

The high demand and long waiting list for English language classes around the country indicate that many new immigrants have a strong desire to learn English.55 As has been the case throughout American history, new immigrant arrivals to the United States are often not fluent in English. However, the best way to measure how well a group is assimilating is to look at the next generation. The vast majority (88%) of Hispanic U.S.-born adult children (second generation) speak English very well.56 While about half of foreign-born Hispanics admit to speaking only Spanish at home, only 11% of their adult children speak only Spanish in their homes.57 The Spanish-speaking immigrants arriving today are learning English just as fast as previous European immigrants did.58

To truly judge how well immigrants assimilate, it is incorrect to look at the newest arrivals because they will very likely be the least assimilated. Immigrants who have been in the country longer are much more likely to be living above the poverty level and to have entered the middle class. About two-thirds of immigrants in California who have lived in the United States for 30 years or more own homes.59 The longer that immigrants are in the country, the more they assimilate.

**MYTH:** Immigrants are more likely to commit crimes than U.S. natives.

**FACT:** Immigrants have a much lower incarceration rate than U.S. natives.

The incarceration rate for immigrants is actually much lower than for U.S. natives. From the 2000 census, the incarceration rate of native-born men ages 18 to 39 was actually five times higher than the rate for foreign-born men (3.5% compared to 0.7%, respectively).60 Foreign-born Mexicans, Salvadorans, and Guatemalans—the three nationalities that make up the majority of the undocumented immigrant population—had the lowest incarceration rates of any Latin American nationality.61 The foreign-born incarceration rate was also two and a half times lower than for native non-Hispanic white men.62

While many of the recently arrived immigrants have similar characteristics with groups of natives that tend to have high incarceration rates (low levels of education, lower
wage levels, young, and male), they are much less likely to be arrested or convicted. Instead, recent immigrants to the United States overall tend to have lower criminal propensities than the native born, or even previous waves of immigrants.63 Further, as the undocumented population has grown in the last two decades, both the violent crime rate and the property crime rate have declined by a third and a quarter, respectively.64

**MYTH:** Workers that come to the United States as temporary workers will stay in the country once their visas expire.

**FACT:** Historically, migrants from Mexico worked in the United States for a few months or years, but then returned home. Border enforcement has made that pattern much more difficult.

Migration from Mexico to the United States has historically been circular in nature. However, increased border security has had at least one unintended consequence. Because of the expense of hiring a *coyote*, many migrants that may have come temporarily are now choosing to stay permanently because it is too dangerous to travel back and forth across the border.65 One study during the 1990s found that about one-third of all Mexican migrants returned home each year, and about 70% returned home after five years.66

Presently, there are very few legal visas available for someone who simply wants to come and work in the United States. The three temporary worker programs that currently exist are the H-1B program for highly skilled workers, the H-2B program for strictly nonagricultural seasonal work, and the H-2A program for agricultural work. All these programs either have low caps that are reached every single year or impractical barriers that make them difficult to use. While there are limited numbers of temporary worker visas, there are even fewer employment-based green cards available. These programs do not meet all of the United States’ economic needs. For example, there is no visa available for a carpenter to come to the country to work for two or three years if an employer simply is unable to find a U.S. worker. If there are appropriate legal visas for workers to come to the United States to work temporarily, there is no reason to think that the historical pattern of circular Mexican migration would not continue.
(Endnotes)


12 Pia Orrenius of the Federal Reserve Bank of Dallas quoted in Jason Riley, 73.

13 Giovanni Peri, “Rethinking the Effects of Immigration on Wages: New Data and Analysis from 1990-2004.”


25 Ibid.

26 Arlene Dohm and Lynn Shipner.

27 Ibid.

28 Ibid.


31 Arlene Dohm and Lynn Shipner, see note four for full citation.

32 Ibid.


35 Ibid.


38 “Undocumented Workers are Taxpayers, Too,” Oregon Center for Public Policy, 10 April 2007, <http://www.ocpp.org/cgi-bin/display.cgi?page=issue070410immig>.

39 Pub.L. 104-193

40 Randy Capps and Michael Fix, see note 19 for full citation.


45 Ibid.

46 “An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the US with the Estimated Effects by State and by Industry.”

47 Gordon Hanson, see footnote six for full citation.


50 Ibid.


53 Jason Riley, 127-157, see note eight for full citation.

54 Ibid.

55 Anna Chomsky, They Take our Jobs! And 20 other Myths about Immigration, (Boston: Beacon Press, 2007).


57 Ibid.

58 Anna Chomsky, see note 55 for full citation.


61 Ibid.

62 Ibid.


64 Ibid.

65 Douglas Massey, see note 41 for citation.