

March 16, 2015

The Honorable Charles Grassley
Chairman
Senate Judiciary Committee
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Senate Judiciary Committee
Washington, DC 20510

Re: For the hearing record, concerning the March 17, 2015 hearing on:

Immigration Reforms Needed to Protect Skilled American Workers

Dear Chairman Grassley and Ranking Member Leahy:

The undersigned leading associations believe that immigration and immigrants help to create and sustain economic growth in the United States, benefiting all Americans. Economists, researchers at leading think tanks, and experts at top universities, along with the majority of Americans, overwhelmingly agree that legal immigration is good for our economy and essential to remaining competitive in a global marketplace.

We write to jointly submit for the hearing record a statement rebutting some of the flawed studies and non-representative anecdotes used to create myths that suggest immigration harms America and American workers. We look forward to continuing to work with you and the Committee to shape legislation that would support building a 21st century U.S. workforce that can compete in an increasingly interconnected world.

Respectfully submitted,

American Immigration Lawyers Association
BSA | The Software Alliance
Compete America Coalition
Computer & Communications Industry Association
Consumer Electronics Association
Council for Global Immigration
FWD.us
HR Policy Association
Information Technology Industry Council
National Association of Home Builders
National Association of Manufacturers
National Venture Capital Association
Partnership for a New American Economy
Society for Human Resource Management
Semiconductor Industry Association
Silicon Valley Leadership Group
Tech CEO Council
TechNet
U.S. Chamber of Commerce


cc: Members of the Committee on the Judiciary





DEBUNKING THE MYTH THAT IMMIGRATION HARMS AMERICA


Economists, researchers at leading think tanks, and experts at top universities, along with the majority of Americans, overwhelmingly agree that legal immigration is good for our economy and essential to remaining competitive in a global marketplace. Yet immigration restrictionists continue to rely on flawed studies and non-representative anecdotes to argue that immigration harms America and American workers. As a large group of multi-industry associations, representing business leaders and millions of employers across the country, we join together to debunk several of the most common immigration myths.


A FEW OF THE MOST COMMON IMMIGRATION MYTHS, AS COMPARED TO THE REAL FACTS:

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MYTH: Lowering the number of immigrants would free up jobs for American workers.
FACT: Immigration helps create jobs for American workers.
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MYTH: Foreign workers displace American workers in the science, technology, engineering, and math (STEM) fields.
FACT: Employment data show that there are not enough native-born STEM workers to fill available STEM jobs and foreign STEM workers are not displacing their native-born counterparts.
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MYTH: STEM professional wages are stagnant and immigrants in STEM professional jobs are not needed.
FACT: Wages are increasing for STEM professionals and U.S. companies have hard-to-fill positions that require STEM degrees with specific skills.
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MYTH: Foreign workers take one in five jobs in America.
FACT: Americans fill more than 91 percent of all jobs in America.
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MYTH: Lesser-skilled immigrants take jobs away from Americans without college degrees.
FACT: The data show that immigration does not negatively impact American workers without college degrees. In fact, lesser-skilled immigrants create jobs for Americans and grow crucial sectors of our economy.


MYTH : LOWERING THE NUMBER OF IMMIGRANTS WOULD FREE UP JOBS FOR AMERICAN WORKERS


FACT : IMMIGRATION CREATES JOBS FOR AMERICAN WORKERS


Economic studies overwhelmingly find that immigration promotes economic growth and creates American jobs.

- > Economists have used U.S. Applied General Equilibrium (USAGE) modeling, to examine job creation resulting from immigration. "With increases in low-skilled immigration, the U.S. economy would expand, creating more jobs in higher-skilled areas," concluded the CATO Institute. CATO found that, over time, increases in immigration would foster the ability of some workers now in low-paying jobs to move up the occupational ladder into different and sometimes newly created jobs.²
- > Researchers looking at the impact of foreign-born high-skilled professionals working in the U.S. have found that foreign-born STEM workers coming to the U.S. "may explain between 10 and 25 percent of the aggregate productivity growth that took place in the U.S. between 1990 and 2010."³
- > Immigrants also build and sustain new communities, which in turn produces economic growth for the country as a whole. A study⁴ by the National Association of Home Builders (NAHB) found that under a baseline scenario of 1.2 million annual net immigration, such a population, after ten years, will occupy two million multifamily residences and 1.2 million single-family homes. Of these households, more than 900,000 will become homeowners. In addition to the taxes paid by these properties and the consumption generated by these households, the construction of these communities will also have direct economic benefits. According to a separate NAHB study,⁵ every 1,000 single-family homes built generates enough economic activity to sustain for a year 2,970 jobs, while every 1,000 multifamily units sustains 1,130 jobs.

The American Enterprise Institute concluded that "policymakers could create jobs by making available more temporary visas for both skilled and less-skilled workers."¹

 **4.64 MORE JOBS** are created for U.S.-born workers with the admission to the United States of each lesser-skilled, legal, non-agricultural temporary foreign worker

 **1.83 MORE JOBS** are created for U.S.-born workers with each approved H-1B high-skilled, legal, professional worker.

 **2.62 MORE JOBS** are created for U.S.-born workers for each foreign-born worker in the U.S. with a U.S. STEM graduate degree.

The Center for Immigration Studies has attempted to compare immigration totals to new job creation numbers⁶ to draw conclusions about the appropriate level of legal immigration in the United States. But the labor market is not a zero sum game where a job either goes to an immigrant or an American. A meaningful analysis of the economic impact that immigrants have on the U.S. economy would require:⁷

- ➔ Understanding that jobs filled in the economy are not just newly created jobs but existing jobs that open up as older workers retire.
- ➔ Modeling the extent to which immigrants do not always compete with Americans for the same jobs.
- ➔ Explaining the various factors that impact movement in native unemployment since native unemployment often decreases even as immigration increases.
- ➔ Accounting for the large number of immigrants who enter the country with no intent to look for work but can support themselves (such as retired parents of U.S. citizens).
- ➔ Excluding naturalized American citizens from the immigrant count in such an analysis - they are not taking jobs from Americans since they are Americans.

MYTH : FOREIGN STEM WORKERS DISPLACE AMERICAN STEM WORKERS

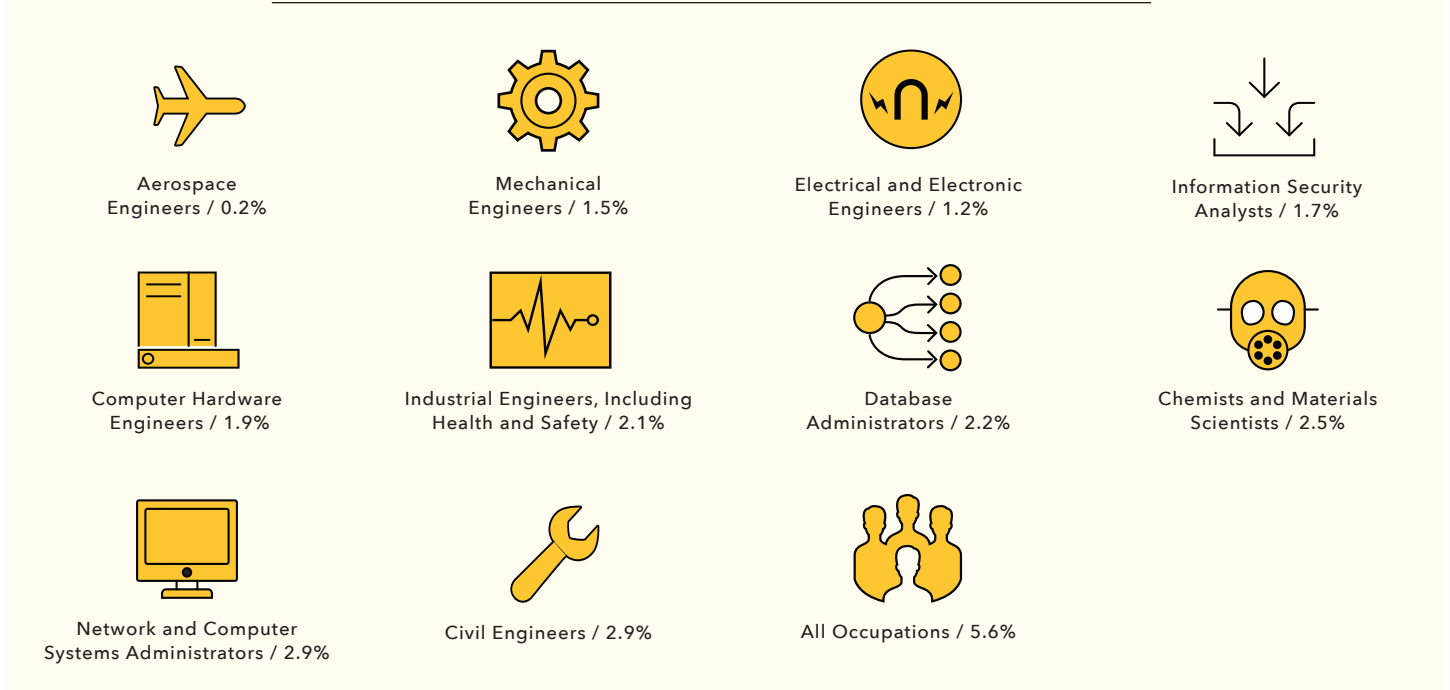
FACT : EMPLOYMENT DATA SHOW THAT THERE ARE NOT ENOUGH NATIVE-BORN STEM WORKERS TO FILL AVAILABLE STEM JOBS AND FOREIGN STEM WORKERS ARE NOT DISPLACING THEIR NATIVE-BORN COUNTERPARTS

Studies have repeatedly shown that there are not enough U.S.-born, college-educated STEM professionals to fill the jobs available here. In 2012, a research report produced by Change the Equation, a nonpartisan education advocacy organization, found that from 2009 to 2011, during a time of depressed employment, 1.91 STEM jobs were posted online for every one unemployed STEM worker looking for work in the United States.⁸ In 2011, while the national

unemployment rate hovered at about 8 percent nationwide, U.S. citizens with PhDs in STEM had an unemployment rate of 3.15 percent. Those with Master’s level degrees in STEM fields had one of 3.4 percent.⁹ Importantly, studies have shown that there is no correlation between the STEM fields where foreign workers are more prevalent and native-born unemployment in those fields.¹⁰

In many STEM fields, there is, statistically, no native-born unemployment at all.

U.S.-BORN 2014 UNEMPLOYMENT RATES IN STEM OCCUPATIONS¹¹



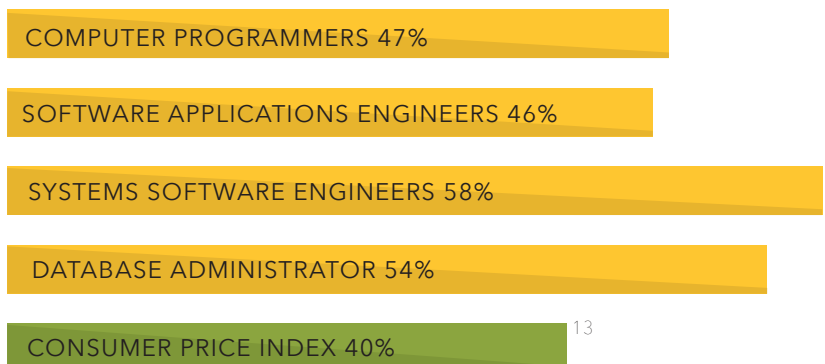
MYTH : STEM PROFESSIONAL WAGES ARE STAGNANT, A SIGN THAT THERE IS NO WORKER SHORTAGE, AND IMMIGRANTS IN STEM PROFESSIONAL JOBS ARE NOT NEEDED

FACT : WAGES ARE INCREASING FOR STEM PROFESSIONALS AND U.S. COMPANIES HAVE HARD-TO-FILL POSITIONS THAT REQUIRE STEM DEGREES WITH SPECIFIC SKILLS

Data shows that wages are increasing in STEM jobs requiring higher education, with wage increases an accepted indicator that the number of qualified Americans is insufficient to fill jobs being created. As the General Accountability Office concluded in 2014, “STEM occupations had more wage growth on average and lower unemployment rates than non-STEM occupations.”¹² Longer-term trends suggest a similar point, with wage increases over time in fields like computer programming and software engineering.

Wage increase by occupation from 1999 - 2013

Increase in consumer price index from 1999 - 2013



In addition to the data shown in this graph, economists have found a correlation between occupations with the most H1B petition requests and wage growth, with wages growing much higher than the national average in occupations with high H-1B usage.¹⁴

- > Labor market experts interpret a job opening of longer than a month as another indicator that qualified candidates are hard to find, another indication of a shortfall in qualified and interested labor. Brookings Institution researchers found that jobs requiring STEM knowledge take significantly longer than one-month to fill. They concluded that 43 percent of job vacancies nationally for STEM occupations with H-1B requests are still posted after one month of advertising. This compared to 38 percent of vacancies in non-STEM occupations requiring a bachelor's degree that remain unfilled after one month and 32 percent of job postings for all non-STEM occupations.¹⁵
- > While it has been suggested anecdotally that wages for STEM professionals are stagnant because of the very presence of H1B workers, no studies show this to be the case. In what appears to be the only study to date specifically examining the impact of H1B workers on wages for American workers, the American Institute for Economic Research concluded in a 2014 analysis that no difference in wages can be attributed to H-1B visa status.¹⁶ Another 2014 study concluded that for every 1 percent increase in H1B numbers there is a corresponding at least-7 percent increase in wages for American STEM workers.¹⁷

MYTH : FOREIGN WORKERS TAKE ONE IN FIVE JOBS IN AMERICA.

FACT : AMERICANS FILL MORE THAN 91 PERCENT OF ALL JOBS IN AMERICA.



The latest data from the Bureau of Labor Statistics and the Census Bureau¹⁸ show that 91.4 percent of the U.S. workforce in December 2014 was made up of American citizens.¹⁹ Only around one-in-twelve jobs or 8.6 percent of jobs in the United States are filled by workers who are not American citizens.

MYTH : LESSER-SKILLED IMMIGRANTS TAKE JOBS AWAY FROM AMERICANS WITHOUT COLLEGE DEGREES.

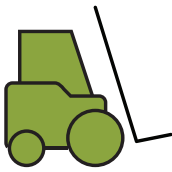
FACT : THE DATA SHOW THAT IMMIGRATION DOES NOT NEGATIVELY IMPACT AMERICAN WORKERS WITHOUT COLLEGE DEGREES. IN FACT, LESSER-SKILLED IMMIGRANTS CREATE JOBS FOR AMERICANS AND GROW CRUCIAL SECTORS OF OUR ECONOMY.

- > Cities experiencing the highest levels of immigration tend to have relatively low or average unemployment rates for those Americans that are lesser-educated. A 2012 analysis of census data by economist Jack Strauss, now of the University of Denver, found that cities with greater lesser-skilled immigration experience lower unemployment rates, lower poverty rates, and higher wages for lesser-educated Americans—they are not simply substitutes for one another.²⁰
- > Some economists have presumed they would find a sizeable negative effect on wages and employment of those Americans without a college education as a result of immigration, but the data do not support this finding. For example, Gerald D. Jaynes, professor of Economics and African American Studies at Yale, launched a large-scale statistical analysis on this very subject but never found the expected results.²⁴



Every once in a while opportunities have presented themselves to conduct real-world experiments on the impact of immigration on lesser-educated native workers. When 125,000 Cubans arrived in South Florida within a six-month time frame following the 1980 Mariel Boatlift, it was widely assumed that newly-arrived Cuban immigrants would take jobs away from Americans who did not possess post-secondary degrees. About half of the “Marielitos” settled permanently in the Miami area, joining an already-sizable Cuban community and immediately boosting the city’s labor force by about 7 percent. In 1989, economist David Card from the University of California at Berkeley completed a detailed analysis on the impact of this 1980 influx of largely lesser-skilled and less-educated immigrant workers on the Miami labor market as compared to other comparison cities.²¹ Card documented that the wages of lesser-skilled and less-educated workers in Miami actually fared better than in the control cities.²² In 1981, the year after the boatlift, wages among lesser-skilled workers in Miami were slightly higher than they were in 1979.²³

- > In fact, the employment projections for 2012-2022 by the Bureau of Labor Statistics show that two of the four major occupational groups that are projected to grow more than 20 percent – nearly double the overall growth – are lesser-skilled occupational groups that do not require post-secondary education: construction and extraction occupations (21.4 percent), and personal care and service occupations (20.9 percent). Indeed, some sectors have seen rising labor shortages, presenting significant industry challenges. For example, the number of open construction sector jobs as of December 2014 (147,000) stands at post-recession highs, and the job open rate exceeds that prior to the housing boom.²⁶
- > Lesser-skilled immigrants help to fill labor shortages in these industries, creating jobs for Americans and helping those industries grow. As Americans become more educated, there are a declining number of young people willing and able to work lesser-skilled jobs, yet the demand for these jobs is growing. Between 1990 and 2010, the number of young, U.S.-born, lesser-skilled individuals declined by almost 12.3 million.²⁷ Meanwhile, sectors like healthcare are seeing increased demand for lesser-skilled jobs like home health aids, with not enough American workers to meet that need. Employment for Personal Care Aides and Home Health Aides is expected to grow by 48.8 percent and 48.5 percent, respectively, by 2022, while current unemployment for U.S.-born U.S. citizens is 2.9 percent in these human services assistant occupations, suggesting near full-employment.²⁸ Immigrants are helping to fill these gaps. For example, immigrants are twice as likely to be home health aids than the U.S.-born.²⁹ And, immigrants help job growth in many sectors.



IN AGRICULTURE, AN INDUSTRY UNABLE TO FILL ITS LABOR FORCE NEEDS WITHOUT IMMIGRANTS, THE U.S. DEPARTMENT OF AGRICULTURE HAS STATED THAT EACH FARM WORKER CREATES 3.1 UPSTREAM JOBS FOR AMERICANS IN PACKAGING, SHIPPING, MARKETING, AND INSURANCE FOR AGRICULTURE PRODUCTS.³⁰

“NATIONAL AND EVEN STATE ECONOMIES ARE MUCH MORE DYNAMIC THAN SIMPLE THEORY; IT THUS SEEMS THAT IMMIGRATION TENDS TO COMPLEMENT NATIVE SKILL LEVELS.” - HOOVER INSTITUTION³¹

¹ Madeline Zavodny, “Immigration and American Jobs” (American Enterprise Institute, December 14, 2011) https://www.aei.org/wp-content/uploads/2011/12/immigration-and-american-jobs_144002688962.pdf at p.11, 14.

² Peter B. Dixon and Maureen T. Rimmer, “Restriction or Legalization? Measuring The Economic Benefits of Immigration Reform” (Cato Institute, April 13, 2009) <http://www.cato.org/pubs/tpa/tpa-040.pdf>.

³ Giovanni Peri, Kevin Shih, and Chad Sparber, “STEM Workers, H-1B Visas and Productivity in U.S. Cities,” Norface Migration Discussion Paper No. 2013-09 (Norface Research Programme on Migration, February 2013), http://www.norface-migration.org/pub/uploads/NDP_09_13.pdf

⁴ Natalia Siniavskaia, “Immigrants and Housing Demand” (National Association of Home Builders, Aug. 3, 2012) <http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=186289&channelID=311>

⁵ Paul Emrath, “Impact of Home Building and Remodeling on the U.S. Economy” (National Association of Home Builders, May 1, 2014) <http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=227858&channelID=311>.

⁶ <http://cis.org/sites/cis.org/files/camarota-immigration-twice-job-growth.pdf>.

⁷ There is plenty of research and reporting that does carefully analyze economic and statistical factors. Such research almost universally finds that immigration improves employment gains in the United States in a variety of ways including immigrant contributions to neighborhood revitalization and state and local economic growth. For example: Neighborhood Revitalization – immigration promotes neighborhood revitalization around the country since immigrants account for 28 percent of the nation’s Main Street businesses, as described by in “Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow” (Fiscal Policy Institute and Americas Society/Council of The Americas, by David Dyssegaard Kallick, January 2015) <http://fiscalspolicy.org/wp-content/uploads/2015/01/Bringing-Vitality-to-Main-Street.pdf>. State and Local Economies – there are many state-level reports on the positive impact of immigration on state economies, such as “Immigrant Contributions to Minnesota’s Economy” (Minnesota Business Immigration Coalition, Americas Society/Council of the Americas, and the Partnership for a New American Economy, October 2014) <http://www.renewoureconomy.org/wp-content/uploads/2014/11/MN-Final-Brief.pdf>, and similarly many reports on the local positive impacts of immigration, such as an analysis of the positive impact of foreign STEM workers on the average American worker, by Giovanni Peri, Kevin Shih, and Chad Sparber in “Closing Economic Windows: How H-1B Denials Cost U.S.-Born Tech Workers Jobs and Wages During the Great Recession” (Partnership for a New American Economy, June 2014) http://www.renewoureconomy.org/wp-content/uploads/2014/06/pnae_h1b.pdf. For an excellent bibliography on the economic impacts of immigration in the United States, with over 60 references covering all viewpoints (left, right, business, union, immigration restrictionist, and free market) as well as government data from the Bureau of Labor Statistics and other agencies and a summary review of how immigration benefits all Americans look at a Manhattan Institute issue brief issued in December 2014 from its E21 project (Economic Policies for the 21st Century), which also rebuts the flawed analytical approach of the Center for Immigration Studies (at p. 6-8) http://www.manhattan-institute.org/pdf/e21_02.pdf

⁸ “STEM Help Wanted: Demand for STEM Weathers the Storm” (May 2012) http://changetheequation.org/sites/default/files/CTEq_VitalSigns_Supply%20%282%29.pdf.

- ⁹ Information Technology Industry Council, Partnership for a New American Economy, and U.S. Chamber of Commerce, "Help Wanted: The Role of Foreign Workers in the Innovation Economy" (Nov. 20, 2012). Available here: <http://www.renewoureconomy.org/wp-content/uploads/2013/07/stem-report.pdf>.
- ¹⁰ Information Technology Industry Council, Partnership for a New American Economy, and U.S. Chamber of Commerce, "Help Wanted: The Role of Foreign Workers in the Innovation Economy" (Nov. 20, 2012). Available here: <http://www.renewoureconomy.org/wp-content/uploads/2013/07/stem-report.pdf>.
- ¹¹ Compiled from Current Population Survey, a project of the Bureau of Labor Statistics and the Census Bureau. The data set is pooled monthly CPS samples for 12 months – December 2013 through November 2014. Observations do not include any of the social sciences and were weighted using the BLS composite monthly weight variable. Monthly weights were divided by 12, so totals are estimates of average monthly employment over the year. The 12 months of observations are the most recent 12 months available as of January 12, 2015.
- ¹² "Science, Technology, Engineering, and Mathematics Education: Assessing the Relationship between Education and the Workforce" (GAO-14-374, General Accountability Office, May 2014) at p. 15.
- ¹³ See Bureau of Labor Statistics, 2013 Wage Estimates http://www.bls.gov/oes/current/oes_nat.htm. 15-year wage changes tabulated December 19, 2014.
- ¹⁴ Jonathan T. Rothwell and Neil G. Ruiz, "H-1B Visas and the STEM Shortage: A Research Brief" (Brookings Institution, May 2013) http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2262872 and <http://www.brookings.edu/research/papers/2013/05/10-h1b-visas-stem-rothwell-ruiz>.
- ¹⁵ Id. The Brookings analysis reviewed over 50,000 job openings, and found that those requiring STEM knowledge take significantly longer to fill, even controlling for requirements for education, experience, training, and managerial knowledge, as well as wage rates and metropolitan area location. The most commonly requested H-1B occupations in each metropolitan area also take longer to fill.
- ¹⁶ Nicole Kreisberg, "H-1B Visas: No Impact on Wages" (AIER issue brief, October 9, 2014) <https://www.aier.org/research/h-1b-visas-no-impact-wages>. The AIER issue brief incorrectly substitutes Labor Condition Applications (LCAs) filed at the Department of Labor for "H-1B Visas Requested" (in Table 1). While LCAs could be a substitute proxy to indicate H-1B demand (when labeled and explained), there is no direct correlation between the number of positions noted on LCAs and either H-1B petitions filed or H-1B visas requested.
- ¹⁷ See, Giovanni Peri, Kevin Shih, and Chad Sparber, "STEM Workers, H-1B Visas and Productivity in U.S. Cities," Norface Migration Discussion Paper No. 2013-09 (Norface Research Programme on Migration, February 2013), http://www.norface-migration.org/publ/uploads/NDP_09_13.pdf; Giovanni Peri, Kevin Shih, and Chad Sparber, "Foreign STEM Workers and Native Wages and Employment in U.S. Cities" (National Bureau of Economic Research (NBER) Working Paper No. 20093, May 2014) at Table 9.
- ¹⁸ The Current Population Survey (CPS) is the source of data comparing native-born workers to foreign-born workers. CPS is a joint project of the Bureau of Labor Statistics (BLS) and Census Bureau, with much of the data being published by BLS. Much of the data is also republished by the Federal Reserve Economic Data system (FRED) where excellent interactive graphs are available on the number of native-born and foreign-born workers employed 2007 to the present (<http://bit.ly/1BeZ0Kf>) and the total number of foreign-born and foreign born in the civilian workforce (<http://bit.ly/1Ch3fXp>).
- ¹⁹ The CPS data published by BLS and the Census Bureau for December 2014 show that 83.55% of the civilian workforce is native-born American citizens and that 7.85% of the civilian workforce is naturalized American citizens, so that 91.4% of the civilian workforce is American citizens. The same data show that 83.45% of employed workers as of December 2014 are native-born American citizens and that 7.96% of employed workers are naturalized American citizens, again totaling the same 91.4% of the nation's economy as American workers. Some references to "workers" can be ambiguous, as to whether identifying those employed or those both employed and unemployed (ie, workforce) so both breakdowns are provided here.
- ²⁰ Jack Strauss, Miller Chair of Applied Economics, University of Denver, "Does Immigration, Particularly Increases in Latinos, Affect African American Wages, Unemployment and Incarceration Rates?" (Social Science Research Network, December 8, 2012), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2186978.
- ²¹ David Card, "The Impact of the Mariel Boatlift on the Miami Labor Market," National Bureau of Economic Research (Aug. 1989) at 2,7.
- ²² Id. at 10-11, 13-15.
- ²³ Id. at 10-11, 13-15.
- ²⁴ Gerald D. Jaynes, "A Conversation about the Economic Effects of Immigration on African Americans," Immigration Policy Center (July 2009). <http://www.immigrationpolicy.org/sites/default/files/docs/Gerald%20Jaynes%20071409.pdf>.
- ²⁵ www.bls.gov/news.release/pdf/ecopro.pdf.
- ²⁶ Robert Dietz, "Construction Labor Market: Quits Jump, Hiring and Job Openings Rise" (National Association of Home Builders, February 10, 2015) http://eyeonhousing.org/2015/02/dec_jolts/.
- ²⁷ Frank Bean, "A Crucial Piece of the Puzzle," (Partnership for a New American Economy, March 27, 2014), <http://www.renewoureconomy.org/wp-content/uploads/2014/03/less-skilled-final.pdf>
- ²⁸ Many parts of the U.S. economy are suffering from unfilled jobs that employers wish to fill. As of December 2014, data from the U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Survey (JOLTS) indicated that total unfilled, non-farm job openings in the U.S. stood at more than 5 million positions, the highest in the last decade. The job openings rate (3.5%), which is job openings as a percent of total employment, was also at a series high. It was 2.8% a year ago.
- ²⁹ Audrey Singer, "Immigrant Workers in the U.S. Labor Force," (Partnership for a New American Economy and Brookings Institution, March 15, 2012) http://www.brookings.edu/~media/research/files/papers/2012/3/15%20immigrant%20workers%20singer/0315_immigrant_workers_singer.pdf.
- ³⁰ See, e.g., Hearing to Review the Labor Needs of American Agriculture, before the House Committee on Agriculture, October 4, 2007. <http://www.gpo.gov/fdsys/pkg/CHRG-110hrg48999/html/CHRG-110hrg48999.htm>.
- ³¹ Tim Kane, Hoover Institution, "The Economic Effect of Immigration" (February 17, 2015) <http://www.hoover.org/research/economic-effect-immigration>.