

Economic Benefits of Comprehensive Immigration Reform

REQUEST

Pass legislation to fix our broken immigration system and modernize our laws for the workforce of the 21st century.

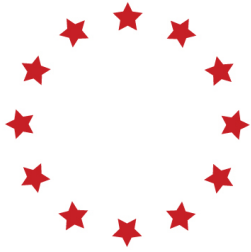
BACKGROUND

When lawmakers and advocates debate legislating much needed improvements to the U.S. immigration system, they often discuss under the framework of comprehensive immigration reform (CIR). Lawmakers generally understand CIR as including some pathway to citizenship for undocumented immigrants, while also revamping our immigrant and non-immigrant visa systems. House Democrats have discussed the possibility of drafting a new CIR bill this year.

The business community is largely in support of CIR because it would have a net positive benefit on the U.S. economy. A 2010 study by Dr. Raúl Hinojosa-Ojeda found that **under a CIR that includes a legalization program for undocumented immigrants—a cumulative \$1.5 trillion would be added U.S. GDP over 10 years.** In stark contrast, **a deportation-only policy would result in a loss of \$2.6 trillion in U.S. GDP over 10 years.** When immigrants enter the labor force, they increase the capacity of the economy. This increases the “wage floor” for all workers, causing an increase in the wages and employment opportunities regardless of immigration status.

The Hinojosa-Ojeda study found that CIR would increase U.S. GDP by at least 0.84 percent. This would translate into at least a \$1.5 trillion cumulative increase in GDP over 10 years, which includes approximately \$1.2 trillion in consumption and \$256 billion in investment. The benefits of additional GDP growth would be spread broadly throughout the U.S. economy, but immigrant-heavy sectors such as textiles, electronic equipment, and construction would see particularly large increases. The higher earning power of newly legalized workers would mean increased tax revenues of \$4.5-\$5.4 billion in the first three years. Higher personal income would also generate increased consumer spending—enough to support 750,000–900,000 jobs in the United States. Experience shows that legalized workers open bank accounts, buy homes, and start businesses, further stimulating the U.S. economy.

A bill that reforms critical visa programs, including visas for high-skilled and low-skilled workers, will streamline our immigrant labor force while ensuring that the rights of both immigrant workers and employers are protected. Smart, modern, immigration reform can help stimulate entrepreneurship and affirm that the United States is at the forefront of global innovation.



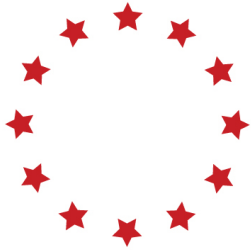
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TALKING POINTS

- There is broad support for immigrants amongst business owners. A study by the Small Business Majority found that 84 percent believe immigration is good for America and 67 percent believe that immigration reform will be good for small businesses by establishing a qualified and stable workforce. (Democrats of Committee on Small Business Report, *Economic Impact of DACA: Spotlight on Small Business*)
- Immigrants in California play an important role contributing to the state as both taxpayers and consumers. In 2014, immigrant-led households in California earned \$323.2 billion dollars — or almost 29 percent of all income earned by Californians that year. (New American Economy, *The Contributions of New Americans in California*)
- In California, immigrant-owned businesses generated \$20.2B in business income in 2014. (New American Economy, *The Contributions of New Americans in California*)
- Immigration brings entrepreneurs who start new businesses that hire American workers. 1,460,099 people in California are employed at firms owned by immigrants. (New American Economy, *The Contributions of New Americans in California*)
- National Foundation for American Policy study found that of the 87 startup companies valued at \$1 billion or more found 44 (over half) had at least one immigrant founder. (Stuart Anderson, Forbes, *Why Immigrants Are Key To Economic Growth*)
- Immigration reform that emphasizes a path to citizenship would increase U.S. GDP by at least 0.84 percent. This would translate into at least a \$1.5 trillion cumulative increase in GDP over 10 years, which includes approximately \$1.2 trillion in consumption and \$256 billion in investment. (Dr. Raúl Hinojosa-Ojeda, *The Economic Benefits of Comprehensive Immigration Reform*)
- The higher earning power of newly legalized workers would mean increased tax revenues of \$4.5-\$5.4 billion in the first three years. Higher personal income would also generate increased consumer spending—enough to support



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ATTACHMENTS

http://www.knowyourvisa.com/pdf/the_economic_benefits_of_cir.pdf

<https://smallbusiness.house.gov/sites/democrats.smallbusiness.house.gov/files/documents/economic%20impact%20of%20daca%20report.pdf>

<https://www.bushcenter.org/catalyst/north-american-century/benefits-of-immigration-outweigh-costs.html>

<https://www.forbes.com/sites/stuartanderson/2016/10/02/3-reasons-why-immigrants-key-to-economic-growth/#29759b9c7dab>

<https://www.aila.org/infonet/economic-benefits-of-immigra>

<https://www.aila.org/infonet/open-letter-from-1470-economists-on-immigration>

<https://thehill.com/blogs/congress-blog/foreign-policy/273480-needed-leadership-on-immigration-reform>