

# TALKING POINTS

## IMMIGRATION REFORM IS CRITICAL TO OUR ECONOMIC RECOVERY

### IMMIGRATION REFORM IS GOOD FOR THE ECONOMY AND AMERICAN WORKERS

Comprehensive immigration reform which includes a pathway to legal status for unauthorized immigrants already in the country would benefit the U.S. economy by raising wages and purchasing power, and sustaining jobs.

- **Immigration reform would raise wages for all workers including increases of up to \$162 per year for U.S. natives<sup>1</sup>.** Wages for native-born U.S. workers would increase by roughly \$162 per year for the less skilled and \$74 per year for the higher-skilled. When all immigrant workers have full labor rights, it results in higher wages for all workers in industries where large numbers of immigrants are employed. The wages of native-born workers also increase because the “wage floor” rises for all workers.
- **Immigration reform would increase GDP by \$1.5 trillion<sup>2</sup>.** Reform which includes legalization of unauthorized immigrants and the creation of more flexible channels for legal immigration in the future would add at least \$1.5 trillion in cumulative U.S. Gross Domestic Product (GDP) over 10 years. Over the first three years, higher personal income would generate increased consumer spending—enough to support 750,000–900,000 jobs in the United States—as well as increased tax revenues of \$4.5–\$5.4 billion.
- **Immigration reform would grow the American economy.** An economy with more people does not mean lower wages and higher unemployment; it is simply a bigger economy. Just because New York is bigger than Los Angeles does not in and of itself mean workers in New York are worse off than workers in Los Angeles.

### IMMIGRANTS DO NOT TAKE JOBS AWAY FROM U.S. WORKERS

A legalization program would not increase the number of workers currently in the labor force nor would it create undue competition for existing jobs because unauthorized immigrants and native born workers are not interchangeable.

- **There is little apparent relationship between recent immigration and unemployment rates at the regional, state, or county level.** This is evidenced by the fact that geographic regions with high levels of unemployment do not necessarily have large numbers of immigrants.<sup>3</sup>
- **Immigrant and native-born workers cannot simply be exchanged for one another like batteries.** If 8 million unauthorized-immigrant workers who are now in the United States were deported for instance, 8 million jobs would not then become available for unemployed, native-born Americans. Education, skill sets, age, and geography all play a role in who applies for what jobs.

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<sup>1</sup> Hinojosa-Ojeda, R., “Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform”, January, 2010

<sup>2</sup> *Ibid.*

<sup>3</sup> Paral, Rob., and Associates, “The Unemployment and Immigration Disconnect: Untying the Knot III,” May, 2009

### **AMERICANS WANT IMMIGRATION REFORM THAT PROMOTES ECONOMIC RECOVERY:**

- By a 2-1 margin, the American public believes that requiring undocumented workers to register, get legal and pay taxes is better for America's economy than requiring 8 million workers to leave the U.S.
- Requiring undocumented workers to become legal tax payers will create a level playing field for all workers and employers and will promote economic recovery.
- Legalization will close the trap door at the bottom of the wage scale and will help lift wages of all workers.

### **THE CURRENT SYSTEM EMPOWERS "BAD ACTOR" EMPLOYERS AND DISTORTS ECONOMIC CONDITIONS FOR ALL EMPLOYERS:**

- A few "bad actor" employers undercut their honest competitors, avoid paying their fair share of taxes, and drive down working conditions for all workers.
- When 5% of the U.S. workforce lacks legal status, "bad actor" employers can manipulate and exploit a significant segment of the workforce to the detriment of all workers.
- Legalizing workers will cut the legs out from under exploitive employers and generate critical revenues needed to advance economic recovery.

### **IMMIGRATION REFORM PAYS FOR ITSELF, AND THEN SOME**

- **The 2006 immigration reform bill, which included a legalization program, would have more than paid for itself through increased tax revenue.** The CBO and the Joint Committee on Taxation (JCT) estimated that, as originally introduced on April 7, 2006, the Comprehensive Immigration Reform Act of 2006 would have raised \$66 billion in new revenue during 2007-2016 from income and payroll taxes, as well as various administrative fees.
- **The 2007 immigration reform bill, which included a legalization program, would have more than paid for itself through increased tax revenue.** The CBO and JCT estimated that the Comprehensive Immigration Reform Act of 2007, as amended by the Senate through May 24, 2007, would have generated \$48 billion in new revenue during 2008-2017, primarily through Social Security payroll taxes.