The White House

Office of the Press Secretary

For Immediate Release July 10, 2013

White House Report: The Economic Benefits of Fixing Our Broken Immigration System

"So if we're truly committed to strengthening our middle class and providing more ladders of opportunity to those who are willing to work hard to make it into the middle class, we've got to fix the system. We have to make sure that every business and every worker in America is playing by the same set of rules. We have to bring this shadow economy into the light so that everybody is held accountable — businesses for who they hire, and immigrants for getting on the right side of the law. That's common sense. And that's why we need comprehensive immigration reform."

– President Barack Obama, January 29, 2013

America has always been a nation of immigrants, and throughout the nation's history, immigrants from around the globe have kept our workforce vibrant, our businesses on the cutting edge, and helped to build the greatest economic engine in the world. However, America's immigration system is broken and has not kept pace with changing times. Today, too many employers game the system by hiring undocumented workers and there are 11 million people living and working in the shadow economy. Neither is good for the economy or the country. It is time to fix our broken immigration system.

Today, the President's National Economic Council, Domestic Policy Council, Office of Management and Budget, and the Council of Economic Advisers released a report, ***The Economic Benefits of Fixing Our Broken Immigration System*,** detailing the range of benefits to the U.S. economy that would be realized from passage of commonsense immigration reform, and the high costs of inaction.

Specifically, the report finds that the Senate-passed bipartisan immigration reform bill:

Strengthens the overall economy and grows U.S. GDP: Independent studies affirm that commonsense immigration reform will increase economic growth. The Congressional Budget Office (CBO) estimated that enacting the Senate immigration reform bill will increase real GDP relative to current law projections by 3.3 percent in 2023 and 5.4 percent in 2033 – an increase of roughly $700 billion in 2023 and $1.4 trillion in 2033 in today's dollars. A larger labor force; higher productivity and investment; and stronger technology, tourism, hospitality, agriculture, and housing industries are just some of the key ways that immigration reform strengthens the U.S. economy.

Fosters innovation and encourages more job creation and job growth in the U.S.: Evidence shows that immigrants are highly entrepreneurial. Immigration reform would streamline the process for highly-skilled and highly -educated workers to come to the U.S. and build businesses that create jobs for Americans. In addition, it encourages companies to locate, invest, and expand here in the U.S. Under the recently passed Senate legislation, entrepreneurial immigrants would be eligible for newly created temporary and permanent visas if they demonstrate that they have ideas that attract U.S. investment or revenue and establish businesses that create jobs.

Increases the productivity of workers and adds new protections for American workers: According to CBO and other independent studies, immigration reform will ultimately increase overall U.S. productivity, resulting in higher GDP and higher wages. Part of this gain in productivity comes from immigrants' creating new inventions and companies, as well as from improvements in U.S. production processes. Bringing undocumented workers out of the shadows and into the legal economy also helps put a stop to practices that undercut wages and worsen working conditions for American workers. This bill also has provisions to protect U.S. workers and ensure that new worksite enforcement and border security measures deter future illegal immigration.

Decreases budget deficits, balances out an aging population, and strengthens Social Security: The CBO found that the enacting Senate immigration reform bill will reduce the federal budget deficit by nearly $850 billion over the next 20 years. In addition, the independent Chief Actuary of the Social Security Administration (SSA) has found that immigration reform will improve the long-term financial standing of Social Security by adding younger workers to the U.S. workforce. The SSA Actuary estimates that the Senate's immigration reform bill will add nearly $300 billion to the Social Security Trust Fund over the next decade and would improve Social Security's finances over the long run, extending Social Security solvency by two years.

BLOG POSTS ON THIS ISSUE

July 09, 2013 1:45 PM EDT

The 5 Best Moments From the 2013 Kids' State Dinner

Today, fifty-four children visited the White House for the second annual Kids' State Dinner, hosted by First Lady Michelle Obama. We've picked our 5 favorite moments to share.

July 09, 2013 9:00 AM EDT

Our 5 Favorite 2012 Kids' State Dinner Moments

Fifty-four kids from every U.S. state, three territories, and D.C. will join the First Lady and the White House today for the second annual Kids' State Dinner.

July 08, 2013 1:49 PM EDT

A Smarter, More Innovative Government for the American People

This morning, the President held a meeting with his Cabinet and senior officials to lay out his vision for building a better, smarter, faster government over the course of his second term. During the meeting, the President directed Cabinet members and key officials in his Administration to build on the progress made over the first term, and he challenged us to innovate government even further.

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AILA InfoNet Doc. No. 13071044. (Posted 7/10/13)

		Costs of Maintaining the Status Quo		Benefits of Comprehensive Immigration Reform
GDP	−	U.S. economy does not benefit from higher growth, larger workforce, more innovators, entrepreneurs and capital investment, and increased productivity – and domestic production is lower as a result	+	Economy strengthened as U.S. benefits from a larger labor force, higher productivity, and stronger technology, tourism, hospitality, agriculture, and housing industries . In 2033, US economy is 5.4 percent larger than under status quo
Labor force participation	−	Labor force participation continues to decline as the baby boom generation retires	+	Higher labor force participation than without immigration reform as new working-age immigrants participate in the labor force at a higher rate
Productivity	−	U.S. workers and capital do not benefit from productivity gains associated with commonsense immigration reform	+	Productivity of labor and capital increases by 1 percent in 2033
Wages	−	Because workers do not benefit from productivity gains, average wages are lower: a cost of about $250 annually for the median household by 2033 (in today's dollars)	+	Largely as a result of higher productivity, real wages will rise by 0.5 percent in 2033 relative to current law – the equivalent of about an annual $250 increase today for a median household
Protections for U.S. workers	−	American workers do not benefit from new protections that help ensure immigrants complement the American workforce	+	Employers must recruit U.S. workers for high-skilled occupations; enhanced portability and wage protections for temporary workers; new safeguards against abuses in recruiting foreign labor
Federal deficits	−	Federal budget does not benefit from additional taxes paid by new and legalizing immigrants – and deficits are nearly $850 billion higher as a result	+	Over the next twenty years, federal deficits are reduced by nearly $850 billion
Federal debt	−	By 2023, federal debt as a share of the economy is 3 percentage points higher than it would be under immigration reform	+	U.S. debt falls by 3 percentage points as a share of the economy by 2023, compared to current law
Social Security	−	Social Security does not benefit from new young and healthier workers balancing out retirement of the Baby Boomer generation	+	Extends the solvency of the Social Security Trust Fund by two years and reduces the 75-year shortfall by nearly half a trillion dollars
Entrepreneurship	−	Talented entrepreneurs are prevented from starting the next set of Fortune 500 companies in the U.S. and patenting new technologies that fuel innovation and provide Americans with well-paying jobs	+	Entrepreneurial immigrants are eligible for newly created temporary and permanent visas if they demonstrate that they have ideas that attract investment and establish businesses that create jobs
Housing	−	Housing market does not benefit from higher housing demand, delaying the economic revitalization of communities hit hardest by the recession	+	Housing market recovery is strengthened through stronger demand and higher prices for homes in neighborhoods hardest hit by the recession
Tourism and Hospitality	−	U.S. is unprepared to take advantage of explosive growth in tourism from emerging economies, resulting in fewer tourism and hospitality jobs	+	Provisions in the Senate bill position – including the Visa Waiver Program, new CBP officers, and permanent authorization of the Corporation for Travel Promotion – provide significant boost to these sectors
Agriculture	−	U.S. agriculture continues to be affected by unpredictable and unstable worker flows, resulting in deportations, employer fines and work stoppages	+	U.S. agricultural output and exports grow over time – supporting a key engine of American economic growth

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