

# Immigration Facts: The Positive Economic Impact of Immigration

## *Immigrants and Immigration Mythbusters: Addressing Common Misconceptions*

These are the immigration facts: immigrants and immigration are good for our country, our communities, and our economy. Efforts to cut [legal immigration](#) - particularly in the midst of the unprecedented coronavirus pandemic - will keep American families separated, hurt public health, and damage crucial recovery efforts to jumpstart our economy as the country begins to reopen. New arrivals to the U.S. help drive business creation, fuel innovation, fill essential workforce needs, and strengthen the middle class. Family-based immigration promotes family unity and integration, all core principles of American values. And many immigrants will go on to become citizens, taking the solemn oath of allegiance to America and the Constitution.

The success of our nation comes, in large part, from our longstanding tradition of encouraging people seeking a better life to leave everything they know to contribute to the United States. Severely limiting legal immigration puts this at risk. Instead, we should protect and expand current immigration levels and work to [pass immigration reform](#) that makes it safer, faster, and more efficient for prospective immigrants to enter the U.S. and begin contributing.

Restricting legal immigration - as President Trump's [executive order](#) does - will severely limit our country's ability to respond effectively to the public health and economic crisis brought on by the coronavirus, which has already left more than 100,000 people dead and 1 in 4 American workers claiming unemployment. We cannot afford to shut out the life-saving contributions that immigrants and immigration bring to our country.

## American Workforce

**MYTH: IMMIGRATION HURTS AMERICAN WORKERS. IMMIGRANTS TAKE JOBS FROM AMERICANS AND DRIVE WAGES DOWN.**

**FACT:** Immigrants are [highly entrepreneurial](#), launching new companies at twice the rate of native-born Americans and creating large numbers of jobs. All of this increases employment opportunities for native-born American workers, boosts wages and strengthens the middle class. As the U.S. economy begins to reopen, job creators will be absolutely critical to boosting recovery in communities across the country. [Research shows](#) that immigrants generally complement, rather than compete with American workers, because they have different skill sets and educational backgrounds. The U.S. economy is dynamic and not zero-sum: when one individual obtains a job, it does not mean another individual loses a job. In fact, immigrants help grow the economy by filling labor needs, purchasing goods and paying taxes. When more people work, productivity increases. And as an [increasing number of Americans retire](#) in coming years, immigrants will help fill labor demand and maintain the social safety net.

# Economic Impact

**MYTH: IMMIGRANTS ARE A DRAIN ON THE U.S. ECONOMY AND REDUCING IMMIGRATION WOULD MAKE OUR ECONOMY STRONGER.**

**FACT:** The United States needs immigrants to stay competitive and drive economic growth, Particularly as our economy starts to reopen, individuals who create jobs are absolutely critical to our recovery. Immigrants are innovators, job creators, and consumers with an enormous spending power that drives our economy, and creates employment opportunities for all Americans. Immigrants added \$2 trillion to the U.S. GDP in 2016 and \$458.7 billion to state, local, and federal taxes in 2018. In 2018, after immigrants spent billions of dollars on state and local, and federal taxes, they were left with \$1.2 trillion in spending power, which they used to purchase goods and services, stimulating local business activity. Proposed cuts to our legal immigration system would have devastating effects on our economy, decreasing GDP by 2% over twenty years, shrinking growth by 12.5%, and cutting 4.6 million jobs. Rust Belt states would be hit particularly hard, as they rely on immigration to stabilize their populations and revive their economies.

# Education

**MYTH: IMMIGRANTS ARE POORLY EDUCATED AND HAVE NO SKILLS TO OFFER AMERICANS.**

**FACT:** Immigrants tend to be well-educated and skilled in their fields. 43% of recently-arrived family and diversity-based immigrants are college graduates - compared to 29% of native-born Americans. More than half of STEM degrees awarded by U.S. universities go to international students, and about half of applicants for H-1B temporary work visas have a Masters degree or above from a U.S. university. Immigrants represent 30% of new entrepreneurs, despite making up only 13% of the population keeping the workforce flexible, allowing companies to grow faster, and increasing the productivity of American workers by bringing in individuals with diverse skill sets and new ideas. In fact, 45% of Fortune 500 companies were founded by immigrants and their children, employing over 10 million people worldwide.

# Taxes and Essential Services

**MYTH: IMMIGRANTS ARE A BURDEN TO ESSENTIAL SERVICES LIKE SCHOOLS, HOSPITALS AND HIGHWAYS.**

**FACT:** Immigrants make significant contributions to our economy on virtually every front - including on tax revenue, where they contribute \$458.7 billion to state, local, and federal taxes in 2018. This includes undocumented immigrants, who contribute roughly \$11.74 billion a year in state and local taxes, including more than \$7 billion in sales and excise taxes, \$3.6 billion in property taxes, and \$1.1 billion in personal income taxes. These billions of tax dollars fund our schools, hospitals, emergency response services, highways, and other essential services. These revenues would increase by \$2.18 billion annually if undocumented immigrants were given legal status as part of an immigration reform package. Additionally, immigrants make enormous contributions to Social Security. If current legal immigration levels were cut by 50%, the Social Security fund would lose \$1.5 trillion in revenue over the next 75 years.

# Annual Levels of Immigration

**MYTH: THE U.S. DOESN'T NEED MORE IMMIGRANTS AND THE AMERICAN PEOPLE WANT TO SEE A REDUCTION IN IMMIGRATION.**

**FACT:** Americans want more immigration, not less. Over 75% of Americans oppose making cuts to our legal immigration system, and three-quarters of Americans say that immigration is good for the U.S. As the U.S. population ages, immigrants and their families are crucial for our economy. According to the Census Bureau, the 65-and-older population will nearly double by 2050, reducing the number of people in our workforce. On the other hand, 79% of immigrants in the U.S. are working-age compared to 61% of their native-born counterparts.

# Employment-Based Immigration

**MYTH: AMERICAN BUSINESSES USE WORK VISAS TO UNDERPAY IMMIGRANT WORKERS AND REPLACE AMERICAN WORKERS.**

**FACT:** Many U.S. companies hire foreign-born professionals to supplement their workforce, using a mix of permanent, employment-based immigration visas (called “green cards”) and temporary visas, like the H-2A visa for agricultural workers or the H-1B visa for highly-skilled specialty workers. For temporary roles, employers must demonstrate that they will pay their new hires at least the average wage paid to similarly situated workers, and for permanent immigration programs, employers must go through a rigorous labor certification process to demonstrate there are no qualified Americans available to fill the role. Research demonstrates that immigrant workers do not hurt the wages of native-born workers, and, on the contrary, complement them. Employment-based immigrants are critical to the U.S. economy as they meet the temporary and permanent needs of U.S. employers in diverse industries.

These contributions are even more critical as the U.S. struggles to recover in the midst of the coronavirus pandemic. And the kinds of jobs that immigrants have filled during the pandemic have supported the health and safety of communities across the country, and undoubtedly saved millions of American lives: this includes essential frontline workers in healthcare roles, individuals researching treatments or vaccines for coronavirus, or as farmworkers keeping the supply chain safe and putting food on tables across the country, to name just a few.

# International Students

**MYTH: INTERNATIONAL STUDENTS TAKE JOBS AWAY FROM AMERICANS.**

**FACT:** International students make countless contributions to campuses across the country, and their entrepreneurial spirit, innovative skills, and spending power contribute to the American economy. They spend billions of dollars as consumers, frequently pay higher tuition rates, which subsidize domestic students keeping tuition costs down, support local businesses, and have gone on to found companies like Google, Yahoo!, and Trulia, employing hundreds of thousands of Americans. In fact, during the 2018-2019 academic year, international students studying in the U.S. contributed \$41 billion and supported 458,290 jobs to the economy. International students are pursuing degrees in many sectors including in the science, technology, engineering, and math, or STEM fields.

# Mass Deportation

**MYTH: DEPORTING AS MANY UNDOCUMENTED IMMIGRANTS AS POSSIBLE IS GOOD FOR THE AMERICAN ECONOMY.**

**FACT:** Beyond the staggering moral costs and far-reaching trauma of separating millions of American families, the deportation of 11 million people would impoverish many American families and create enormous social costs. Mass deportation would force a nearly \$8 trillion hit to the economy over the next 14 years and jeopardize our housing market. Further, it would take 20 years, and cost U.S. taxpayers between \$400 to \$600 billion.

# Pathway to Citizenship

**MYTH: PROVIDING A PATHWAY TO CITIZENSHIP FOR UNDOCUMENTED IMMIGRANTS WOULD HURT AMERICAN WORKERS.**

**FACT:** Providing a pathway to citizenship for the roughly 11 million undocumented immigrants in the U.S. would increase their wages and spending power and, over 10 years, boost U.S. GDP by \$1.2 trillion. If the U.S. provided a pathway to permanent residency and citizenship, it would increase Americans' income by \$791 billion and generate \$184 billion in additional state and local and federal tax revenue from currently undocumented immigrants, and add more than 200,000 jobs to the U.S. economy per year. Millions of undocumented immigrants are serving in essential frontline roles right now, including the estimated 48% of agricultural workers who are immigrants, and who are keeping the food supply chain safe and keeping food on tables across America.

# Dreamers and the Economy

**MYTH: DREAMERS ARE A DRAIN ON THE ECONOMY. GIVING THEM LEGAL STATUS WOULD ONLY MAKE THINGS WORSE FOR STRUGGLING AMERICANS.**

**FACT:** Dreamers have built their lives here, and they are Americans in every way except on paper; they also make enormous economic contributions to the U.S. More than 89% of DACA recipients are either employed, and helping to boost the U.S. economy through their spending, and tax dollars. And nearly 200,000 DACA recipients are serving in essential frontline roles in the midst of the coronavirus pandemic, including nearly 40,000 as healthcare workers; deporting Dreamers would tear apart families and cost even more lives. If Congress fails to provide protections for these young people, the U.S. GDP could lose out on \$460 billion over the next decade. However, if Dreamers were instead provided with legal status and a pathway to citizenship, as much as \$1 trillion could be added to the GDP over a decade.

# Humanitarian Protections

**MYTH: RESETTLING REFUGEES IN THE UNITED STATES IS TOO EXPENSIVE, AND NOT WORTH THE FINANCIAL BURDEN ON TAXPAYERS.**

**FACT:** The United States has long been a welcoming safe haven for those forcibly displaced and fleeing violence, extreme poverty, and persecution, and our country has been immeasurably better for it. Refugees are important contributors to the U.S. economy, and investing one dollar in helping refugees get settled, can yield almost twice as much in economic benefits in just 5 years. More than 70% of refugees are of working-age, a higher percentage than the U.S.-born population, and in 2015, refugees contributed \$20.9 billion in taxes and had a spending power of \$56.3 billion. Refugees have higher rates of entrepreneurship than native-born Americans, and in 2015, 13% of refugees were entrepreneurs, driving long term job creation.

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**FWD.us** is a bipartisan organization started by key leaders in the tech and business community to promote policies to keep the United States competitive in a global economy, starting with commonsense immigration reform and criminal justice reform.

**Sources:** American Action Forum, American Immigration Council, Axios, Cato Institute, Center for Migration Studies NY, Center for American Progress, Chicago Council on Global Affairs, Congressional Research Service, Emerson, Ewing Marion Kauffman Foundation, Foreign Policy, Federal Reserve Bank of St. Louis, Gallup, Institute on Taxation and Economic Policy, Migration Policy Institute, NAFSA: Association of International Educators, National Immigration Forum, National Academies of Science, National Center for Education Statistics, New American Economy, Penn Wharton Budget Model, ProPublica, Quinnipiac University, Urban Institute, Small Business Administration