

Immigration and The Economy: Its Benefits to American Life

Summary: Immigrants offer much to our country, and we should welcome their contributions. They play a vital role to help grow the American economy.

Immigrants help grow the economy

• Immigrants *are* almost twice as likely to start businesses than are the native-born.¹

- Immigrants comprise approximately 15% of the U.S. workforce, but account for about one quarter of entrepreneurs and inventors in the United States.²

- Immigrants are 13% of the population, but comprise 18% of small business owners.³

- All six of America's 2016 science Nobel Prizes were won by immigrants.⁴

- Immigrants and their children *are* providing the "vast majority" of current and future workforce growth.⁵

• Immigrant workers (*authorized and unauthorized*) boost the wages of many native U.S. workers and do not have a significant effect on the overall employment levels of native born workers.⁶

• Immigrants *are* net contributors to our economy through the goods and services they produce and consume.

- Immigrants help to feed this country. 85% of our fruits and vegetables are hand-picked by farmworkers, many of them immigrants.⁷

- Immigrants have a significant role in the hightech industry and have an important role in the development of high-tech companies. A nationally representative sample showing that 16% of high-tech, high-impact companies include at least one immigrant in their founding.⁸

Immigrants pay taxes

• Unauthorized immigrants pay billions of dollars in state and local taxes every year, including sales, property, and income taxes. Undocumented immigrants alone contribute an estimated 11.64 billion dollars annually in state and local taxes alone. They also pay at least at least \$7 billion in Social Security taxes.⁹

• Most undocumented immigrants pay income taxes as well. Studies estimate that at least half of all undocumented immigrant households file income taxes, and many who do not still have taxes deducted from their paychecks.¹⁰

• Immigration is an important mechanism that will counteract the effect of the United States' aging population by providing indispensable contributions to the Social Security and Medicare systems.¹¹

• During the past decade, undocumented immigrants have contributed a surplus of \$100 billion to the Social Security program.¹²

Immigrants do not take advantage of government funded public services

• Unauthorized immigrants do not qualify for and cannot receive welfare or publicly funded health care benefits. Even legal immigrants do not qualify for these benefits for the first five years of their residency in the US.¹⁴

• Historically, a certain narrowly-defined category of immigrants have been labeled as a "public charge" and deemed inadmissible or deportable if already here. Such a label would generally accrue only if individuals demonstrated an inability to support themselves and

would, consequently, be dependent on government support for their continued well-being.

• Recently established regulations require that immigrant's sponsor demonstrate an ability to keep him or her at a certain income above the poverty line. The sponsor's ability to do so must be proven via the submission of the previous year's tax returns and other forms of documentation.¹⁵

Endnotes

1. Ewing Marion Kauffman Foundation, "The Economic Case for Welcoming Immigrant Entrepreneurs," September 8, 2015, http://www. kauffman.org/what-we-do/resources/entrepreneurshippolicy-digest/the-economic-case-for-welcomingimmigrant-entrepreneurs

 Sari Pekkala Kerr and William R. Kerr, "Immigrants Play a Disproportionate Role in American Entrepreneurship," Harvard Business Review, October
2016, https://hbr.org/2016/10/immigrants-play-adisproportionate-role-in-american-entrepreneurship.

3. Economic Policy Institute, "Facts about Immigration and the U.S. Economy," August 12, 2014, http://www. epi.org/publication/immigration-facts.

4. Stuart Anderson, "Immigrants Flooding America with Nobel Prizes," Forbes, October 16, 2016, https:// www.forbes.com/sites/stuartanderson/2016/10/16/ immigrants-flooding-america-with-nobelprizes/#26ab2a686cb6.

5. National Academies of Sciences, Engineering, and Medicine, The Economic and Fiscal Consequences of Immigration, September 21, 2016, http:// www8.nationalacademies.org/onpinews/newsitem. aspx?RecordID=23550.

6. National Academies of Sciences, Engineering, and Medicine, The Economic and Fiscal Consequences of Immigration (2016), http://www8.nationalacademies. org/onpinews/newsitem.aspx?RecordID=23550.

7 National Center for Farmworker Health, "Demographics Fact Sheet," Janauary 2016, http:// www.ncfh.org/uploads/3/8/6/8/38685499/naws_ncfh_ factsheet_demographics_final_revised.pdf.

8. Zoltan Acs and David Hart, "Immigration and

High-Impact, High-Tech Entrepreneurship," Brookings Institution, February 7, 2011, https://www.brookings. edu/research/immigration-and-high-impact-high-techentrepreneurship.

9. Lisa Christensen Gee, Matthew Gardner, and Meg Wiehe, *Undocumented Immigrants, State and Local Tax Contributions*, Institute on Taxation and Economic Policy, https://itep.org/wp-content/uploads/ immigration2016.pdf.

10. State & Local Tax Contributions, Institute on Taxation and Economic Policy, February 2016, http://www.itep.org/pdf/immigration2016.pdf.

11. Noah Smith, "A Nation of Immigrants Needs more Immigrants," Bloomberg View, February 27, 2017. https://www.bloomberg.com/view/articles/2017-02-27/a-nation-of-immigrants-needs-more-immigrants.

12. New American Economy, "Undocumented Immigrants," http://www.newamericaneconomy.org/ issues/undocumented-immigrants.

13. Institute on Taxation and Economic Policy.

14. Public Law 104-193, "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," August 22, 1996, https://www.congress.gov/104/plaws/ publ193/PLAW-104publ193.pdf.

15. Catholic Legal Immigration Network, "Is it safe for immigrants to receive public benefits?" https:// cliniclegal.org/resources/it-safe-immigrants-receivepublic-benefits?