**IMMIGRATION: Summary of Borjas by Seidman**

**Background Estimates for 2012**

Immigrants were 41 million, U.S. population was 314 million, so immigrants were 13% of U.S. population. Immigrants were 16% of the labor force and 18% of small business owners. Undocumented (or unauthorized or illegal) immigrants were estimated to be 12 million out of the 41 million or 29% of all immigrants, and just under 4% of the U.S. population.

**George Borjas, Professor of Economics at the Harvard Kennedy School, “Immigration and the American Worker—A Review of the Academic Literature” (April 2013)**

*CONCLUSION*: “*Economists have long known that immigration redistributes income in the receiving society*. Even though the overall net impact [of immigrants] on natives is small, this does not mean that the wage losses suffered by some natives or the income gains accruing to other natives is not substantial. Some groups of workers face a great deal of competition from immigrants. These workers are primarily, but by no means exclusively, at the bottom end of the skill distribution, doing low-wage jobs that require modest levels of education. Such workers make up a significant share of the working poor. The biggest winners from immigration are owners of businesses that employ a lot of immigrant labor and other users of immigrant labor. The other big winners are the immigrants themselves.”

In 2012 production by immigrants added 10% to GDP—GDP was $16,000 billion, so immigrants added $1,600 billion to GDP, but immigrant workers were paid $1,600 billion, so the *total* income of the U.S. native population was hardly affected by immigrants. But a significant redistribution occurred within the U.S. native population due to immigrants. Immigrants *reduced* the income of native *workers* *who directly competed with immigrants* by $400 billion (2.5% of GDP), and *raised* the income of firms and individuals employing these workers (immigrant and native) by $400 billion (2.5% of GDP).

“Classifying workers by education level and age and comparing differences across groups over time shows that a 10% increase in the size of an education/age group due to the entry of immigrants (both legal and illegal) reduced the wage of native-born men in that group by 3.7% and the wage of all native-born workers by 2.5%.

“Immigrants who entered the country from 1990 to 2010 reduce the average annual earnings of American workers by $1,396 in the short-run. Because immigration increased the supply of workers unevenly, the impact varied across skill groups, with high school dropouts being the most negatively affected group.

“The same type of education/age comparison…showed that a 10% increase in the size of a skill group reduced the fraction of native-born blacks in that group holding a job by 5.1 percentage points

“Immigration has its largest negative impact on the wage of native workers who lack a high school diploma, a group that make up a modest (and, in recent decades, shrinking) share of the workforce. These workers are among the poorest Americans. The children of these workers make up a disproportionate number of the children in poverty: 24.8% of the native-born working poor live in households headed by a high-school dropout.

“Some research argues that virtually all American workers gain from immigration because immigrants and native workers with the same level of education and age do not compete with each other, but in fact complement each other.” Borjas says he finds this research unconvincing.

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