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The Truth Regarding Immigration and the Economy

Immigration in the United States has been prevalent all throughout history and over the years many common misconceptions have been expressed by American's, specifically in today's politics. These misconceptions surround immigrants' effect on the U.S. economy as many believe that immigrants harm the economy greatly and believe that proper measures should be taken to restrict immigration. Despite popular belief, immigrants have a significant impact on the United States economy as they increase workforce, tax revenue, innovation, and the overall economic growth of the United States.

The constant argument regarding immigrants' negative impact on the workforce is false as research has shown that immigrants actually complement the efforts of native-born workers and contribute various positive effects within the workforce. Immigrants help fill in gaps in the labor market that native workers lack with their different sets of skills (West 10). This helps create a greater output of work as well as raise the wages for native workers. This is shown historically as in 1920, firms that were in places with a high amount of immigrants were found to be way larger and more productive (Abramitzky and Boustan 25-26). It has also been found that immigrants help increase the national income by more than what it would cost to hire them (Borjas 4). This is due to the market wage being a result of the productivity of the last immigrants hired. Additionally, it's been stated that immigrants work at extremely high rates and

even make up more than a third of the workforce in certain industries in the U.S. (Sherman et al. 1). This shows immigrants' major contributions to the U.S economy as they hold a big percentage of jobs in certain industries and a lot of these said industries are the low-skilled jobs native are unwilling to take (Sherman et al. 3). This helps disprove the narrative regarding the belief that immigrants are stealing native-born Americans jobs as it shows that how many of the jobs immigrants have are ones that native-born Americans refuse or are not interested in at all. Not only is that false, but so is the belief that immigrants negatively affect natives' wages as studies have found that "immigration has little or no significant negative effect on natives' wages (Orrenius and Zavodny 2). Immigrants' productivity and high employment rates contribute heavily to not only the workforce in the U.S. but the amount of tax revenue coming in each year.

The popular narrative in the U.S. that immigrants do not contribute anything to taxes and abuse government public services has been proven to be false after immense amounts of research conducted. This is an absolutely false narrative as in 2022, the National Immigration Forum found that immigrants paid approximately \$579.1 billion in taxes and \$35.1 billion of that amount was from undocumented immigrants ("Explainer: Immigrants and Housing").

Immigrants contribute a high amount to the United States' annual tax income while most immigrants, whether legal or illegal, aren't even able to "participate in Medicaid, Supplemental Security Income, food stamps, Temporary Assistance to Needy Families, or the State Children's Health Insurance Program" (West 7-8). In 2019, The Center on Budget and Policy Priorities (CBPP) found that at the very least 93% of those who are eligible to receive benefits like SNAP or Medicaid were employed or were married to someone who was employed (Sherman et al. 4). This demonstrates the low pay immigrants within the United States receive as even those who

are employed don't earn enough money for healthcare or food for themselves or even their families. Contrary to popular perception, "undocumented Latinos reported less use of health care services" in comparison to native-born Americans (West 9). This shows how rather than the overuse of public services being from immigrants, it is from native-born Americans. Immigrants contribute an extreme amount to taxes even when they receive very little in return from public services as they are more likely to not be eligible for public services. This proves how immigrants positively affect the economy as they contribute billions in taxes and receive minimal government services.

Historically, immigrants have demonstrably contributed to innovation and business creation in the United States. In the 1930s, many Jewish Scientists had fled Nazi Germany and had come to seek refuge in the U.S. and this ultimately increased U.S. patenting by 30% (Abramitzky and Boustán 25-26). This shows that American innovation and technological advancements have increased due to the help of immigrants within the U.S. Foreign-born scientists have also accounted for a significant number of major scientific contributions and about a quarter of U.S. innovation outputs (Kerr and Turner 1). It has been found that higher-skilled immigrants have a greater chance of starting businesses in comparison to native-born Americans who have a similar level of education (Abramitzky and Boustán 17). This indicates that immigrants contribute more towards business creation and innovation. Immigrants account for about a quarter of science and engineering workers in the workforce with a bachelor's degree and about 28% of doctorate-level workers in the U.S. (Kerr and Turner 1). Immigrants play a significant role in innovation and business creation as higher-skilled immigrants have greatly helped boost various technological advancements in the science and

engineering industry, have increased patenting, and have contributed a significant amount to business creation in comparison to native-born Americans. The U.S. economy significantly benefits from immigrants' contributions to innovation, leading to industrial growth and job creation.

Immigrants have played a significant role in the economic growth of the U.S. both in the past and present. In 1989, immigrants earned more than \$285 billion, which is about 8% of total income, this percentage is very close to the immigrant share of the total population (Passel and Fix 157). This demonstrates the significant employment and economic contributions of immigrants, comparable to native-born citizens. In 2007, the White House Council of Economic Advisers conducted a study that found that immigrants help raise American GDP by \$37 billion per year (West 9). This rise in the GDP is a clear indication of the positive impact immigrants within the U.S. have on the American economy as they help increase the total economic output of the country. Over the past years, the U.S. born population growth has begun to slow down and this has taken a toll on the housing market over the years. However, immigrants have mitigated this by offsetting America's low national birth rate and contributing significantly to the housing market (Sherman et al. 3-5). In 1985 a survey was conducted where "82 eminent anthropologists, economists, historians, political scientists, psychologists, and sociologists" were asked questions regarding the impact of immigration in the U.S. and of all the six professions interviewed, economists held the most positive views on immigrants as 81% of them claimed that immigration was "a 'very favorable' impact on the nation's economic growth" (Moore 1). Those who specialize in economics view immigration as an advantage to the U.S economy further proving that immigrants have had significant effects on the economy in the U.S. Researchers

found that “high levels of immigration give the United States underappreciated advantages in the world economy: America has a substantial population with familial, ethnic, and language ties to some of the most dynamic economies in the world” (Passel and Fix 10). This goes to show that not only do immigrants in the U.S. have a positive impact on the economy at a local level but at a global level as well. There is a copious amount of evidence demonstrating immigrants' positive impact on the economy, but somehow there are still thousands of Americans who fail to see that and who are still afraid of the economic strain immigrants can have on the state of the economy.

The issue regarding immigrants has been a very prevalent topic this year. Last year, during the 2024 election, immigration was a very big part of Donald Trump’s presidential campaign. Trump had proposed that he would conduct a mass deportation of immigrants within the U.S because he believed immigrants were an economic issue, that they harmed American jobs, and created high crime rates in the U.S. Not surprisingly, many Americans seemed to agree with Trump and supported the mass deportation plan as they too believed that immigrants had been negatively affecting the U.S. over the years. All of Trump's statements completely disregard immigrants' positive impact on the state of America throughout history as they completely undermine the impact immigrants have had on the workforce, tax revenue, innovation, and the overall economic growth within the U.S as explained above. This ignorance of proper research conducted on this topic by many Americans will negatively affect not only immigrants but also America, given immigrants’ contributions to the U.S., especially during Trump’s mass deportation plan. Overall, if Americans truly cared about preventing economic hardships from immigration then Americans should instead call for government officials to reform immigration laws rather than conduct mass deportations. Immigration laws that target higher-skilled

immigration would allow the U.S. to benefit the most from immigration long term, even more than they already are.

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