

Economy won't falter or flourish because of immigration reform, study finds

Contra Costa Times (California)

April 6, 2010 Tuesday

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Section: NEWS

Length: 711 words

Byline: By Matt O'Brien Contra Costa Times

Body

OAKLAND -- Legalizing millions of immigrants would have little impact on the **economy**, according to a new report, neither vastly improving the financial prospects of illegal immigrants nor curtailing the opportunities of everyone else.

The **study** by the nonpartisan Public Policy Institute of California deflates arguments from both sides of the **immigration** divide. As lawmakers and the Obama administration contemplate overhauling the **immigration** system, the report released this week counters those who promote immigrant legalization as a financial boon to California and the country.

"Unauthorized workers make gains over time in the United States, but those gains, by and large, are not attributed to getting a green card," said lead researcher Laura Hill.

The report also rejects claims by legalization detractors who argue amnesty for up to 12 million illegal immigrants would ruin the **economy**, lessen job prospects and drain government resources.

Getting undocumented immigrants on a path to legal residency and citizenship, according to Hill, is likely to be neither as devastating nor as economically promising as partisans of the issue would suggest.

"We're **finding** there's not this really large gain in wages among those who are becoming green-card holders," Hill said. "These people are already here working these jobs. Giving them a green card doesn't change, at least in the short term, their trajectories, so it's not going to impact natives."

The findings rely on established research by demographers and labor economists but also a **study** called the New Immigrant Survey that gathered information from a sample of new immigrants in 2003.

Authors of the report point out they do not set out to measure noneconomic considerations, such as how **reform** measures might bring people out of the shadows, encourage civic participation and keep together families that have been separated by deportation.

Economists disagree on the degrees to which new **immigration** impacts the wages of native-born workers, but there is less disagreement on the impact of legalizing immigrant workers who are already here.

"What the change of status will do is probably, over a little bit of time, increase their bargaining power with their employer, and increase, a little bit, their wage," said Giovanni Peri, an economist at the University of California Davis.

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For the majority of illegal immigrant workers with lower skills, **immigration** paperwork was far less important than years spent working in the United States as a measurement of how they get ahead financially, according to the report.

"Some people do change jobs (after getting a green card) but when they do, they're not getting better jobs," Hill said. "Dishwashers become cooks. Grounds maintenance workers become something else that is not highly remunerative. They are not starting to threaten natives."

Most illegal immigrants pay taxes, the survey **found**, so adding them to the official rolls would not significantly boost the state and national **economy**. The report estimates that 87 percent of those who illegally crossed the border and 91 percent of those who overstayed visas filed tax returns in 2002.

Legalization also, however, would not be expected to drain state and federal social service programs, at least not in the short term, the report said, since it takes years before new legal immigrants can qualify for most programs. An exception, Hill said, would be the Earned Income Tax Credit for people with low wages. Illegal immigrants are disqualified from obtaining the credit, but would be able to tap into it if they had legal status.

Dividing unauthorized immigrants between those who illegally crossed the border and those who overstayed a tourist, student or other kind of visa, the report **finds** that the "overstayers" are likely to face the most immediate benefits from moving to a legal **immigration** status. Those immigrants are more likely to have higher skills and education and their career paths are more likely to be blocked by their illegal status.

"When they get the green card, they catch up," Hill said. "What we think is driving this difference is the way employer sanctions might differ for employers at low skill levels than employers at high skill levels."

The full report can be **found** at www.ppic.org.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: **IMMIGRATION** (92%); ILLEGAL IMMIGRANTS (90%); PASSPORTS & VISAS (89%); WAGES & SALARIES (89%); **ECONOMICS** (89%); RESEARCH REPORTS (89%); FOREIGN LABOR (89%); CITIZENSHIP (78%); AMNESTY (78%); PUBLIC POLICY (78%); **ECONOMIC** CONDITIONS (78%); DEPORTATION (73%); POLLS & SURVEYS (72%)

Geographic: OAKLAND, CA, USA (59%); CALIFORNIA, USA (93%); UNITED STATES (92%)

Load-Date: April 8, 2010