ECONOMIC EFFECTS OF IMMIGRATION POLICIES

Business Roundtable & REMI
President Trump ordered an end to the DACA program
- Protections set to expire in March

White House looking for:
- Funding for a southern border wall
- An end to “sanctuary cities”
- Points-based immigration system
  - Based on age, education, English ability, etc.
Analyzing Impacts

- Business Roundtable is an association of CEOs from leading U.S. companies that advocates for policy changes.

- BRT commissioned REMI to evaluate the economic effects of immigration policy.

- The study analyzed two scenarios:
  - Balanced reform policy
  - Enforcement-only policy

*What does REMI say?*
Scenarios

BALANCED REFORM

- Improved Border Security and Enforcement
- Temporary High-Skilled Workers (H-1B Reform)
- Green Card Reform
- Temporary Agricultural workers (H-2A Reform)
- Temporary Nonagricultural Lesser-Skilled Workers (H-2C Creation)
- Pathway to Legal Status

ENFORCEMENT ONLY

- Aggressive Border Security and Enforcement
- Deportation and Voluntary Departure
what does REMI say?
what does REMI say? sm

H-1B & Green Cards

Job Increase Compared to Labor Force and Population Increase

Cumulated Immigration
Cumulated Labor Force
Cumulated Primary Jobs

Top 10 industries with H-1B workers
- Custom Computer Programming Services
- Computer System Design Services
- Colleges, Universities, and Professional Schools
- Computer System Design and Related Services
- Software Publishers
- Other Computer Related Services
- Engineering Services
- General Medical and Surgical Hospitals
- Management, Scientific, and Technical Consulting Services
- Administrative Management and General Management Consulting Services
H-2A & H-2C

- H-2C workers distributed to the following industries (BEA):
  - Construction
  - Retail trade
  - Administrative and support
  - Waste management
  - Accommodation
  - Food services and drinking places
  - Repair and maintenance
  - Personal and laundry services
  - Private households

what does REMI say? sm
Pathway to Citizenship

**What does REMI say?**

**Total (National) Number of Workers with Attained Legal Status**

- Millions of Workers

<table>
<thead>
<tr>
<th>Year</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1</td>
</tr>
<tr>
<td>2019</td>
<td>2</td>
</tr>
<tr>
<td>2020</td>
<td>3</td>
</tr>
<tr>
<td>2021</td>
<td>4</td>
</tr>
<tr>
<td>2022</td>
<td>5</td>
</tr>
<tr>
<td>2023</td>
<td>6</td>
</tr>
<tr>
<td>2024</td>
<td>7</td>
</tr>
</tbody>
</table>

**Unauthorized Immigrant Workers by Industry**

- Agriculture, forestry, fishing, hunting
- Mining
- Construction
- Manufacturing
- Wholesale and Retail trade
- Transportation and utilities
- Information
- Financial activities
- Professional and business services

**Total (National) Wage Bill Increase**

- Billions of Nominal Dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Wage Bill</th>
<th>Non-Compensation Labor Costs + Proprietors' Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>2019</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>2020</td>
<td>20</td>
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<td>2021</td>
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<td>2026</td>
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<td>45</td>
</tr>
<tr>
<td>2027</td>
<td>55</td>
<td>50</td>
</tr>
</tbody>
</table>
what does REMI say?
Impacts (2018-2027)

- **Balanced reform estimates:**
  - Expands Gross Domestic Product by 3.9%
  - Creates 8.4 million new jobs
  - Raises inflation-adjusted incomes of all Americans by 2.3%
    - In current dollars, increases income for the median household by an extra $254 in the first year alone

- **Enforcement only estimates**
  - Reduce GDP by 3%, relative to baseline
  - Eliminate 6.9 million jobs
  - Lower inflation-adjusted incomes by 1.3%
    - Cost the median household $153 in first year alone

*what does REMI say? sm*
National GDP Effects

Figure 2: Projected Increase in GDP from 2018 to 2027 under Balanced Reform Scenario*  
Billions USD Gained

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Increase</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>$0</td>
</tr>
<tr>
<td>Year 2</td>
<td>$200</td>
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<tr>
<td>Year 3</td>
<td>$300</td>
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<tr>
<td>Year 4</td>
<td>$400</td>
</tr>
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<td>Year 5</td>
<td>$500</td>
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<td>Year 6</td>
<td>$600</td>
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<tr>
<td>Year 7</td>
<td>$700</td>
</tr>
<tr>
<td>Year 8</td>
<td>$800</td>
</tr>
<tr>
<td>Year 9</td>
<td>$900</td>
</tr>
<tr>
<td>Year 10</td>
<td>+$831 billion</td>
</tr>
</tbody>
</table>

*Relative to baseline case.

Figure 3: Projected Decline in GDP from 2018 to 2027 under Enforcement Only Scenario*  
Billions USD Lost

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>-$200</td>
</tr>
<tr>
<td>Year 2</td>
<td>-$300</td>
</tr>
<tr>
<td>Year 3</td>
<td>-$400</td>
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<tr>
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<td>Year 7</td>
<td>-$800</td>
</tr>
<tr>
<td>Year 8</td>
<td>-$900</td>
</tr>
<tr>
<td>Year 9</td>
<td>-$640 billion</td>
</tr>
<tr>
<td>Year 10</td>
<td></td>
</tr>
</tbody>
</table>

*Relative to baseline case.
State GDP Effects

Figure 4: 10-Year GDP Gains under Balanced Reform Scenario*

- 2.01% to 2.50%
- 2.51% to 3.00%
- 3.01% to 3.50%
- 3.51% to 4.00%
- Above 4.01%

*Relative to baseline case. Excludes GDP gains associated with farm and agricultural support employment.

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State GDP Effects

Figure 7: 10-Year GDP Losses under Enforcement Only Scenario*

-1.01% to -1.50%  -1.51% to -2.00%  -2.01% to -2.50%  -2.51% to -3.00%  Below -3.01%

*Relative to baseline case.

what does REMI say? sm
what does REMI say?sm
IA GDP & Employment Effects

The Impact on Iowa’s Economy
Projected Change in GDP (USD Billions)

Industries with Largest Job Gains

56,558 Jobs Created Statewide Over the Next 10 Years

Construction +6,293
Retail +5,651
State and Local Government +5,221
Professional, scientific, and technical services +5,167
Administrative and support services +3,351

Source: REMI, Inc.
Key: Immigrants generate new economic activity

- Fill needed skills gaps, allow businesses to expand
  - Hire additional labor
  - Make new investments
  - Increase demand for input industries
- Increase consumer spending
- Immigrant entrepreneurship & innovation
  - Create new jobs
  - Increase productivity
- Removing immigrants has opposite effect
Conclusion

- Balanced reform offers increased security and legal options for immigrants
- Enforcement-only approach would have a negative impact on economy
- Business Roundtable: “While strong border security is an essential component of any reform proposal, this analysis demonstrates the importance of simultaneously addressing the economy’s need for additional legal immigration channels.”