

# ECONOMIC EFFECTS OF IMMIGRATION POLICIES

# Immigration Landscape



- 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

# 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

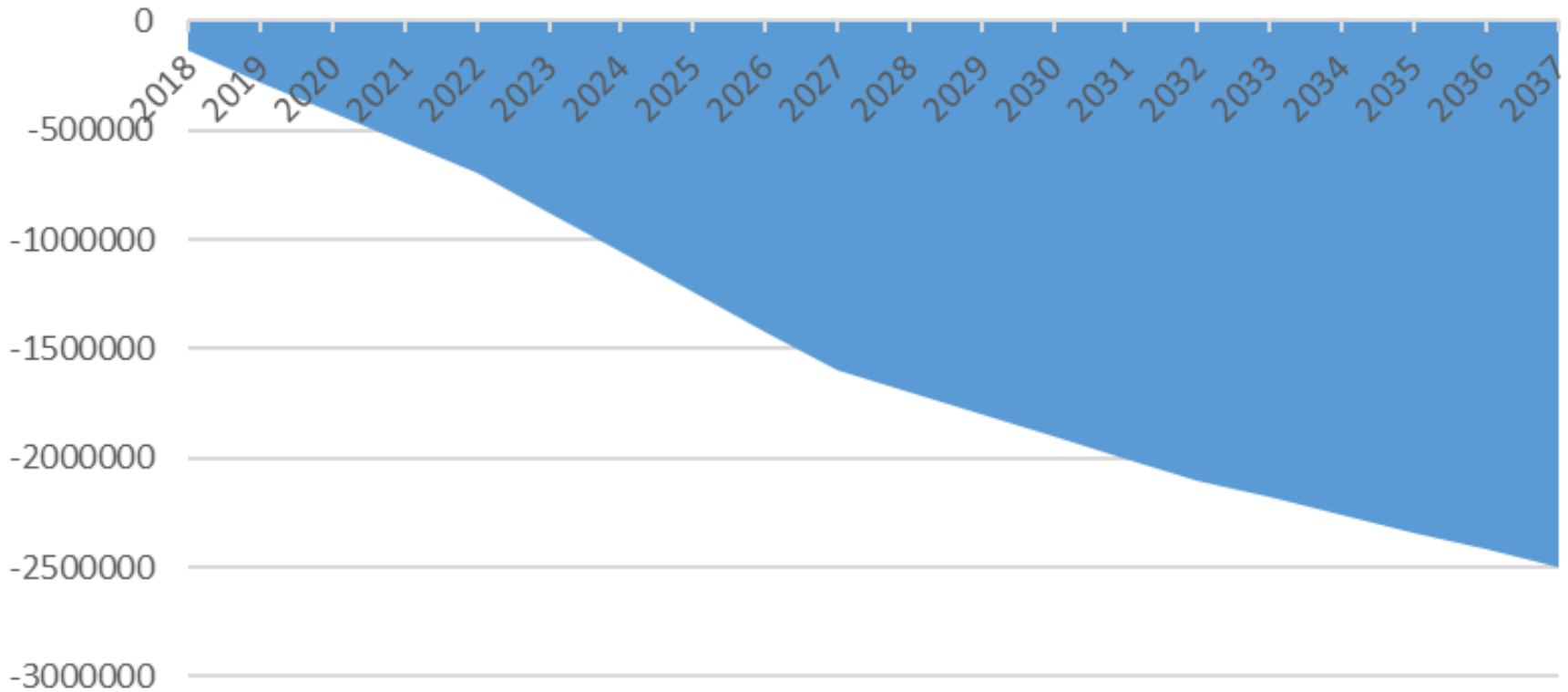
## ENFORCEMENT ONLY

- ❑ Aggressive Border Security and Enforcement
- ❑ Deportation and Voluntary Departure

# Balanced Enforcement



Enforcement Schedule

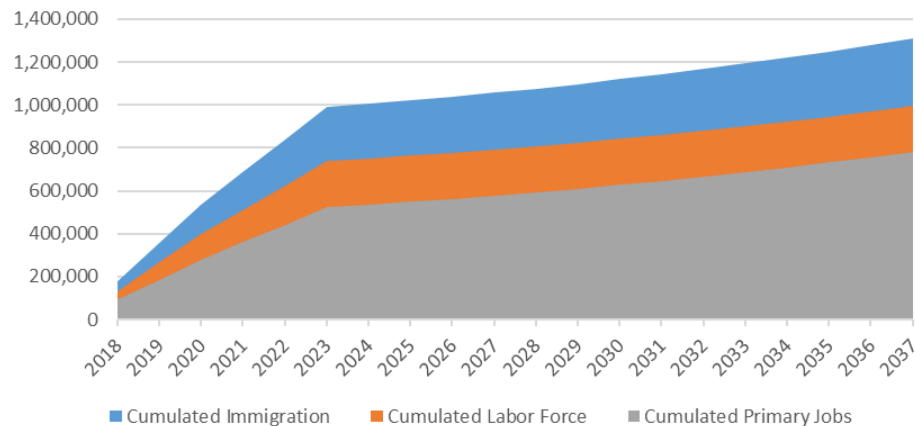


what does **REMI** say? <sup>sm</sup>

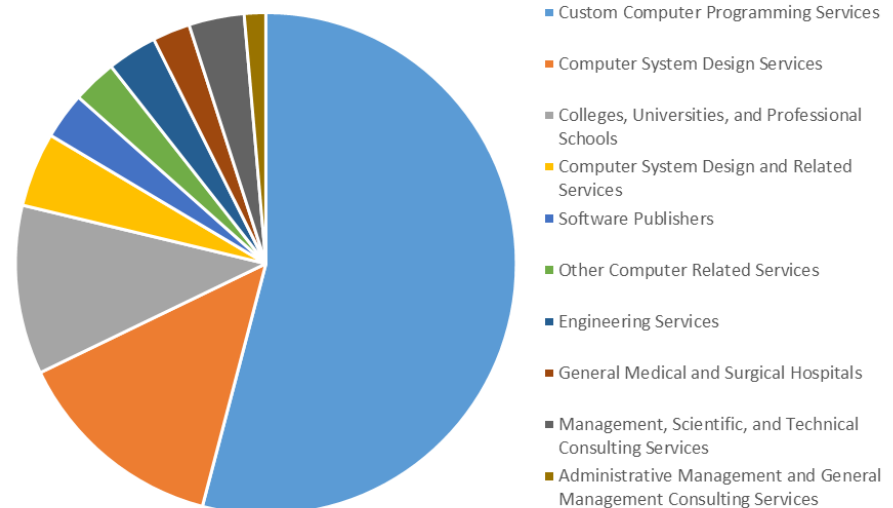
# H-1B & Green Cards



Job Increase Compared to Labor Force and Population Increase



Top 10 industries with H-1B workers



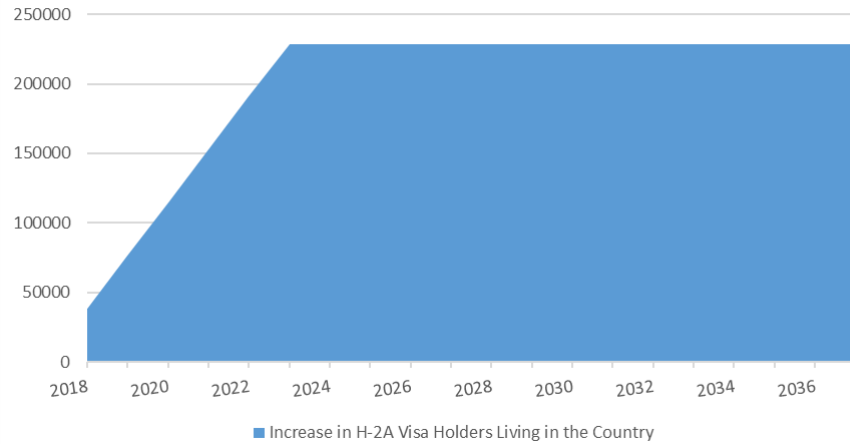
what does **REMI** say? <sup>sm</sup>



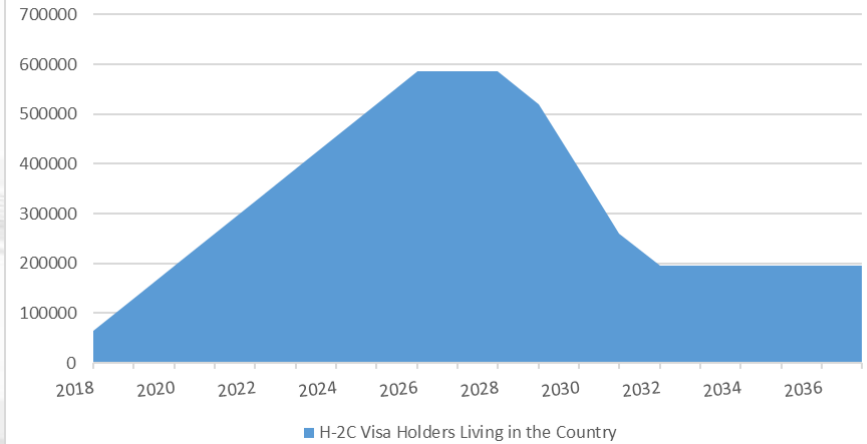
# H-2A & H-2C



Increase in H-2A Visa Holders Living in the Country



H-2C Visa Holders Living in the Country



- H-2C workers distributed to the following industries (BEA):

- Construction
- Retail trade
- Administrative and support
- Waste management

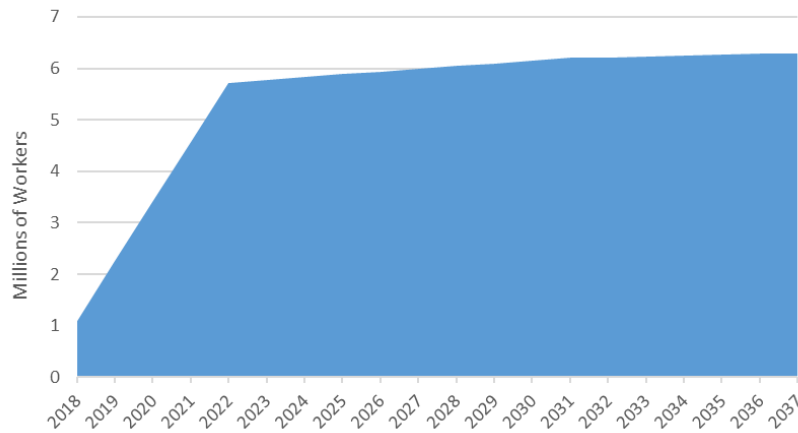
- Accommodation
- Food services and drinking places
- Repair and maintenance
- Personal and laundry services
- Private households

*what does REMI say? <sup>sm</sup>*

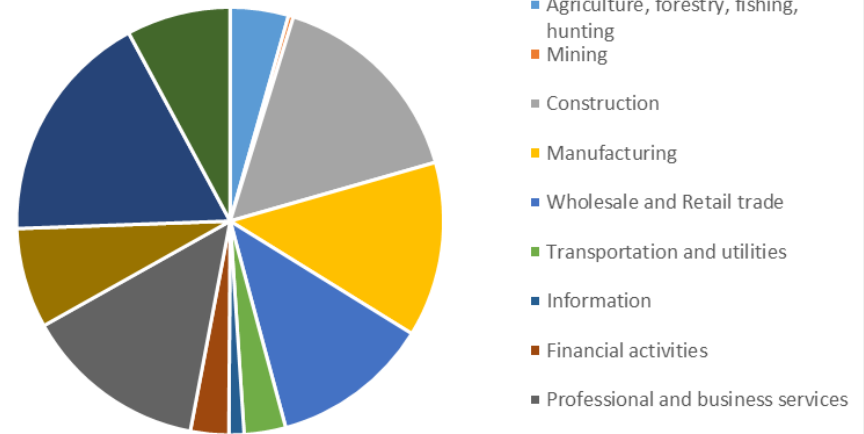
# Pathway to Citizenship



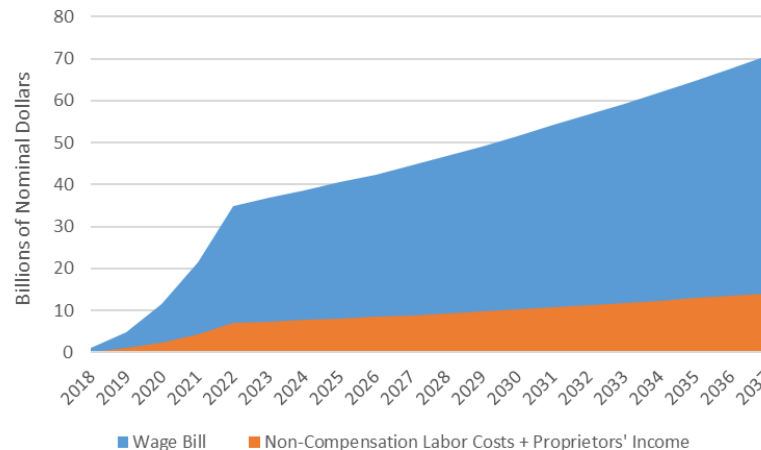
Total (National) Number of Workers with Attained Legal Status



Unauthorized Immigrant Workers by Industry



Total (National) Wage Bill Increase



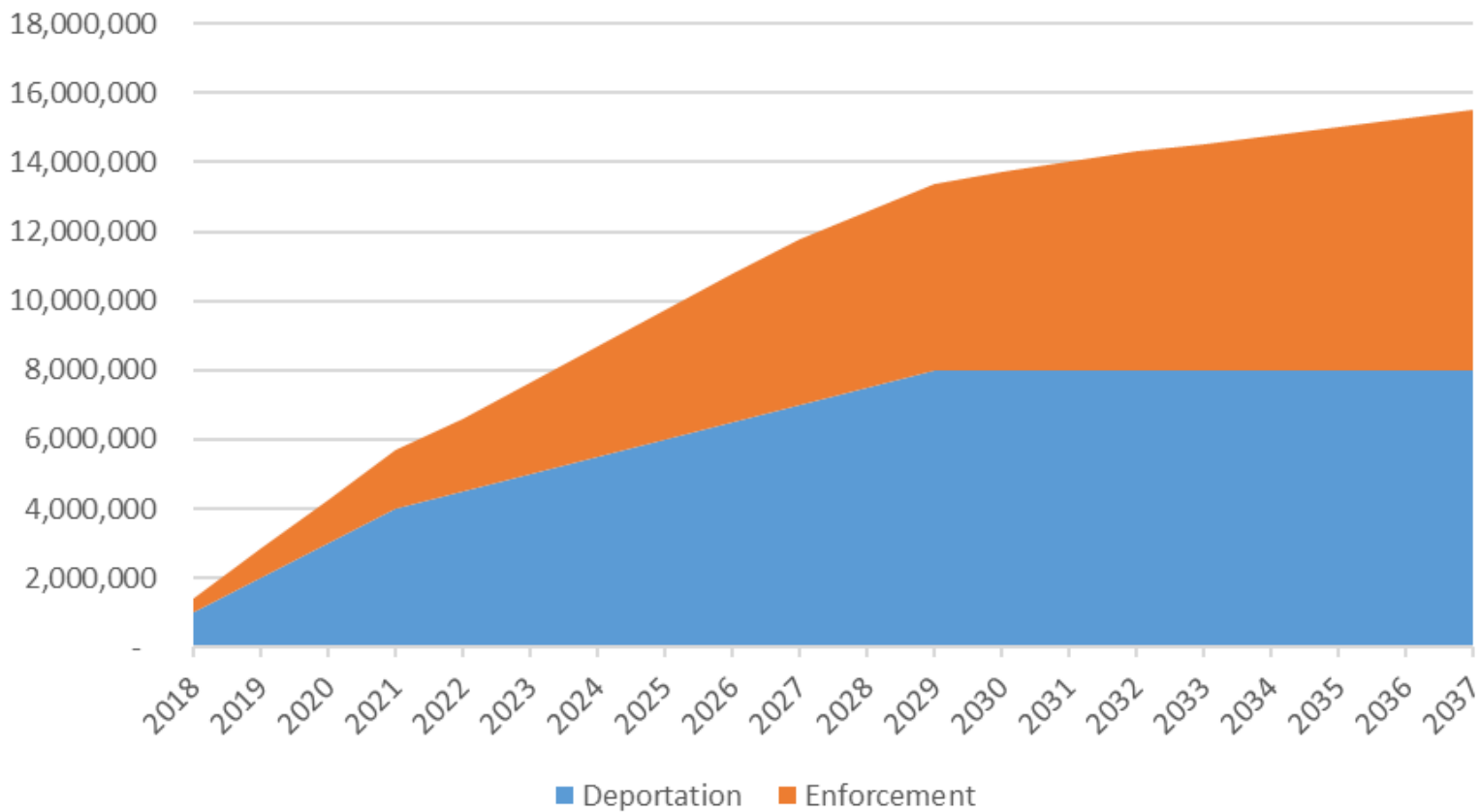
what does **REMI** say? <sup>sm</sup>



# Enforcement Only



Deportation and Enforcement Schedule



what does **REMI** say? <sup>sm</sup>

# Impacts (2018-2027)



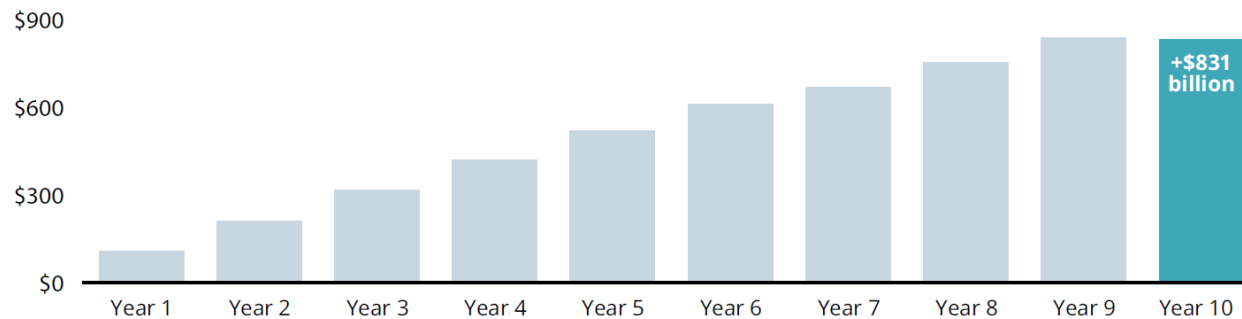
- Balanced reform estimates:
  - ▣ Expands Gross Domestic Product by 3.9%
  - ▣ Creates 8.4 million new jobs
  - ▣ Raises inflation-adjusted incomes of all Americans by 2.3%
    - In current dollars, increases income for the median household by extra \$254 in the first year alone
- Enforcement only estimates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

# National GDP Effects



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

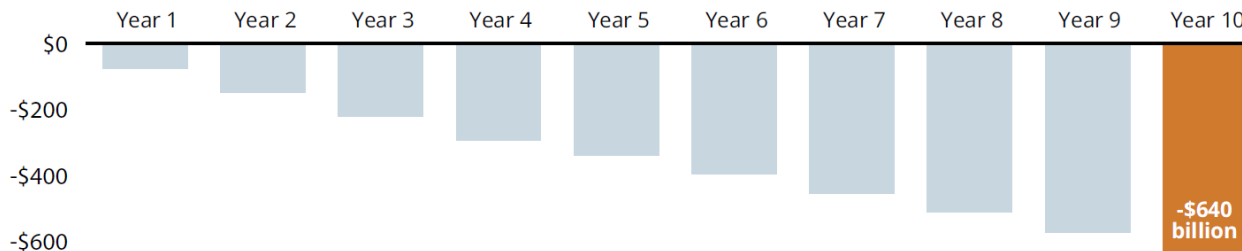
*Billions USD Gained*



\*Relative to baseline case.

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

*Billions USD Lost*



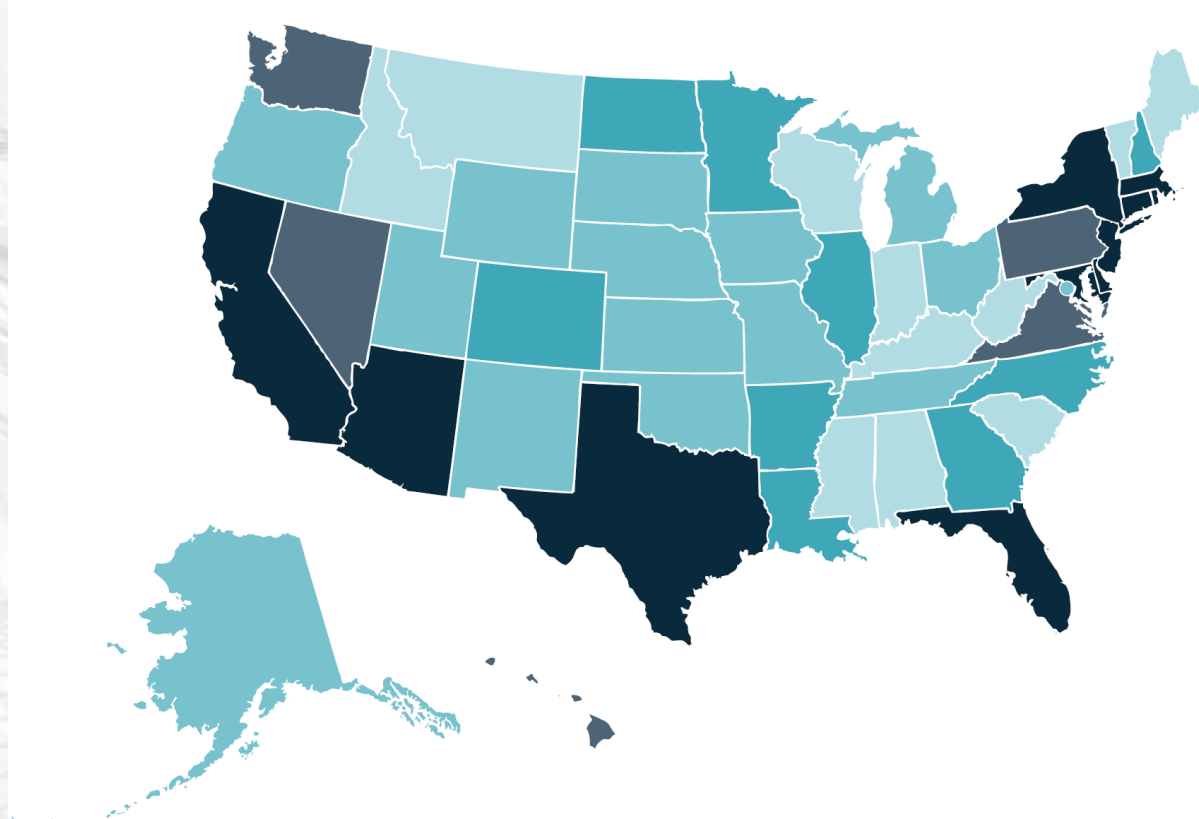
\*Relative to baseline case.

what does **REMI** say? <sup>sm</sup>

# 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%

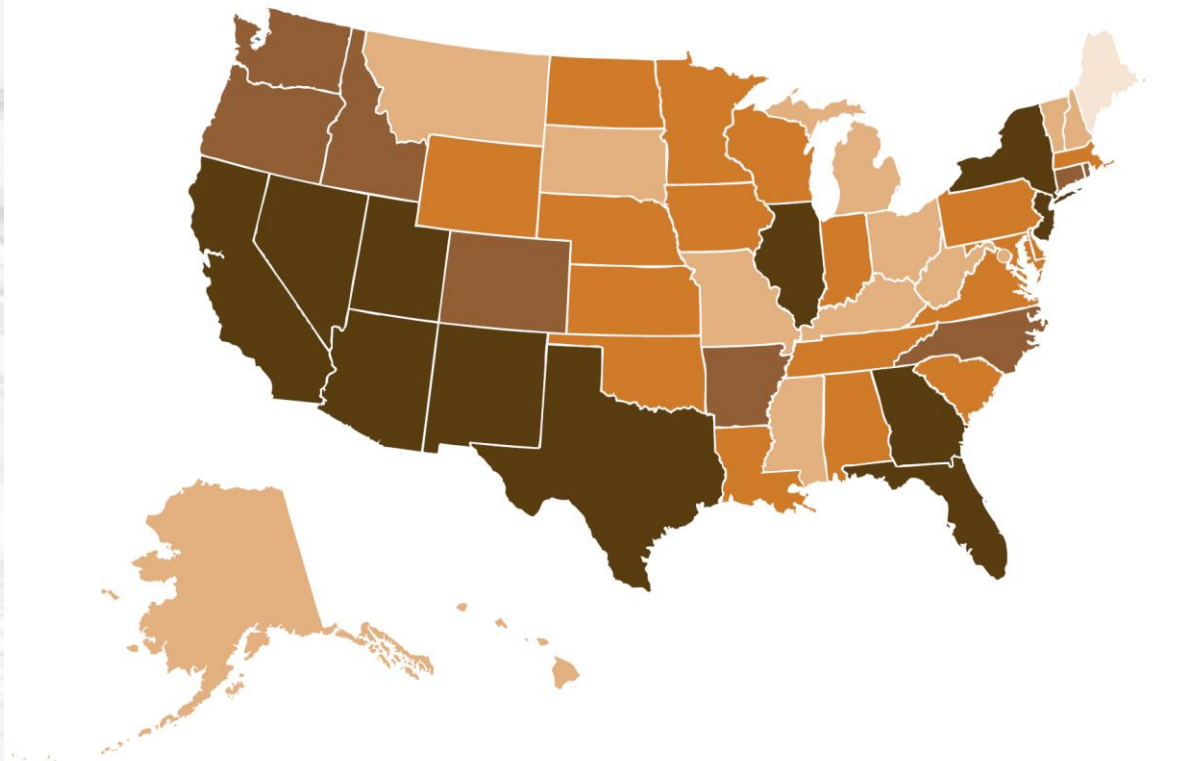


\*Relative to baseline case. Excludes GDP gains associated with farm and agricultural support employment.

# 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%



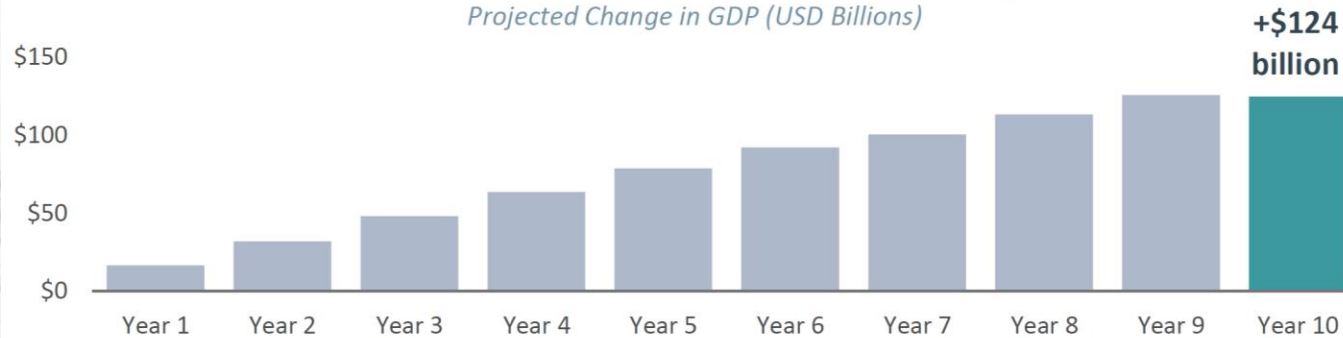
\*Relative to baseline case.

# CA GDP & Employment Effects



## The Impact on California's Economy

*Projected Change in GDP (USD Billions)*



Source: REMI, Inc.

## Industries with Largest Job Gains

**1,163,345**

**Jobs Created  
Statewide  
Over the  
Next 10 Years**



Source: REMI, Inc.

what does **REMI** say? <sup>sm</sup>

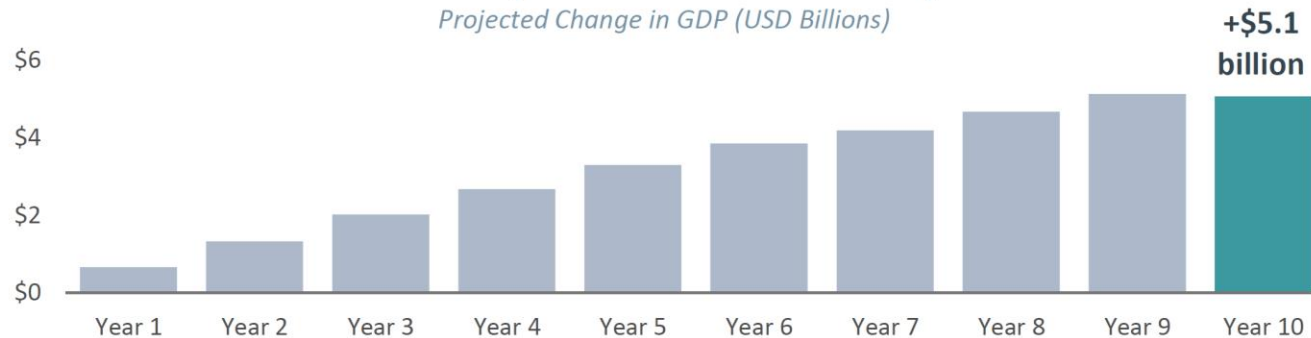


# IA GDP & Employment Effects



## The Impact on Iowa's Economy

*Projected Change in GDP (USD Billions)*

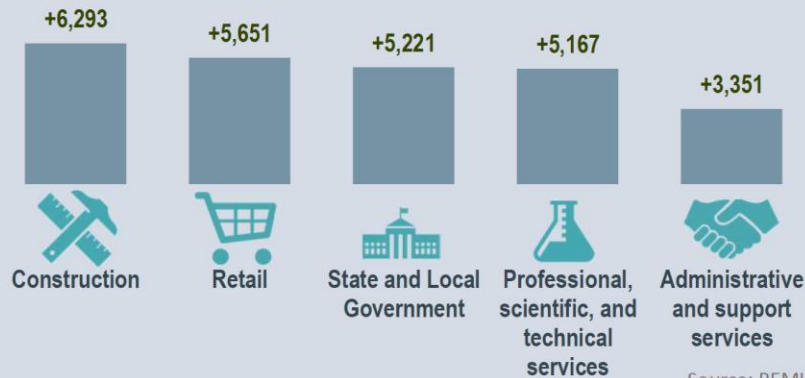


Source: REMI, Inc.

## Industries with Largest Job Gains

**56,558**

**Jobs Created  
Statewide  
Over the  
Next 10 Years**



Source: REMI, Inc.

what does **REMI** say? <sup>sm</sup>

# Discussion



- **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.”***