

Immigration Factsheet: Casa Obrera Workers Center

Prepared by CPE staff economists Maliha Safri and Jerry Friedman

The Casa Obrera Workers Center in Springfield asked CPE for help on a factsheet on the economics of immigration. Staff economists Maliha Safri and Jerry Friedman produced one that was distributed at the immigrants rights demonstration as well as in the press packet. Here's an abridged version:

Five things about Immigration that you wanted to know but were afraid to ask...

Myth 1: Immigrants lower wages for everybody else

There is a near consensus among economists that immigrants do not lower average wages. Even relatively large inflows, such as the 125,000 Cubans who flooded into Miami nearly overnight in Miami during the Mariel boatlift of 1980, have little effect on wages. The economist David Card found that average wages in Miami did not fall "even for earlier Cuban" immigrants after the boatlift, and there was little increase in unemployment. Instead of flooding narrow labor markets, immigrants spread out through very large markets often creating jobs through their new talents and initiative.

Myth 2: The workers that immigrants hurt the most are black and other poor Americans.

Nor have immigrants particularly hurt black or other low-wage workers. Instead of competing with them, economists find that immigrants often 'complement' the work of native-born workers, creating new jobs to balance their own employments. Also, immigrants require services and goods produced by non-immigrants. New immigrant families need to buy more food, shop, rent houses, send their kids to school, etc., all of which means employment goes up for jobs that immigrants don't occupy on average.

Myth 3: Immigrants use welfare and other social services more than non-immigrants

Here it is important to distinguish between 'refugees' and other immigrants. It is true that refugees, including people who have been persecuted in their native countries and suffered war, famine, and other disasters, do use social services more than do other Americans; and few Americans would begrudge them this assistance. But non-

refugee immigrants are much less likely to use social services than are other residents, often because they fear to attract the attention of authorities. Indeed, non-refugee immigrants are less likely than native-born Americans to use social services even when they qualify. Over 60% of legal Mexican immigrants live at or below the poverty line, but fewer than 2% receive welfare, a rate one-fourth that of other Americans.

Myth 4: Immigrants do not pay taxes.

Legal immigrants pay taxes, in fact, they might even pay more taxes than average Americans according to a 2001 study by the Bureau of Economic and Business

Research at the Univ. of Florida. Even undocumented

immigrants pay lots of taxes: they pay sales tax on everything purchased, they pay social security taxes (and most often cannot collect it), they pay property taxes when they buy homes, they also file and pay federal income taxes using Individual Tax Identification Numbers assigned by the IRS, etc. In fact, in order for an undocumented immigrant to acquire legal citizenship, they must show proof of having paid income taxes!

Myth 5: Immigrants do not contribute to building the economy of the

United States because they are disproportionately unskilled labor.

Some immigrants are common laborers who lack formal schooling, but even many of these have valuable skills as horticulturalists, construction workers, child-care workers, and in other crafts and trades. There are also many immigrants who come here to perform highly skilled jobs; it is often as difficult, for example, to find a non-immigrant doctor in the emergency room of a large urban hospital as it is to find a native-born taxi driver. Nor should we discount the work of unskilled workers. Their work produces groceries, childcare, clothes, shoes, lawn-care, and take-out food consumed by Americans. Some might see this as an unfair situation where immigrant workers work hard for this country but are then denied the opportunity to build a life for their families. They might accuse Americans of wanting their work, but not their lives.

