Immigration into United States and Economic Impacts

Definitions

- **Immigration** is movement of people into a destination [country](#) to which they are not native or do not possess its [citizenship](#) in order to settle or reside, especially as [permanent residents](#) or [naturalized](#) citizens, or to take-up [employment](#) as a [migrant worker](#) or temporarily as a [foreign worker](#).

- In US statistics, an immigrant, or alternatively, foreign-born person, is a person living in US who was born in another country, other than children of US citizens. The category includes naturalized citizens, permanent lawful residents, temporary lawful residents, and unauthorized immigrants.

- Lawful/Authorized immigrants enter the United States under 1 of a plethora of visa categories, shown on next 2 slides.

Athlete, amateur or professional (competing for prize money only)	B-1	(NA)	Foreign national with extraordinary ability in Sciences, Arts, Education, Business or Athletics	O	USCIS
Au pair (exchange visitor)	J	SEVIS	Free Trade Agreement (FTA) Professional: Chile, Singapore	H-1B1 - Chile H-1B1 - Singapore	DOL
Australian professional specialty	E-3	DOL	International cultural exchange visitor	Q	USCIS
Border Crossing Card: Mexico	BCC	(NA)	Intra-company transferee	L	USCIS
Business visitor	B-1	(NA)	Medical treatment, visitor for	B-2	(NA)
CNMI-only transitional worker	CW-1	(USCIS)	Media, journalist	I	(NA)
Crewmember	D	(NA)	NAFTA professional worker: Mexico, Canada	TN/TD	(NA)
Diplomat or foreign government official	A	(NA)	Performing athlete, artist, entertainer	P	USCIS
Domestic employee or nanny - must be accompanying a foreign national employer	B-1	(NA)	Physician	J , H-1B	SEVIS
Employee of a designated international organization or NATO	G1-G5, NATO	(NA)	Professor, scholar, teacher (exchange visitor)	J	SEVIS
Exchange visitor	J	SEVIS	Religious worker	R	USCIS
Foreign military personnel stationed in the United States	A-2 NATO1-6	(NA)	Specialty occupations in fields requiring highly specialized knowledge	H-1B	DOL then USCIS
Foreign national with extraordinary ability in Sciences, Arts, Education, Business or Athletics	O	USCIS	Student: academic, vocational	F, M	SEVIS
Free Trade Agreement (FTA) Professional: Chile, Singapore	H-1B1 - Chile H-1B1 - Singapore		Temporary agricultural worker	H-2A	DOL then USCIS
			Temporary worker performing other services or labor of a temporary or seasonal nature.	H-2B	DOL then USCIS

Spouse of a U.S. Citizen	**IR1, CR1**	Priority workers [First]	
Spouse of a U.S. Citizen awaiting approval of an I-130 immigrant petition	**K-3** *	Professionals Holding Advanced Degrees and Persons of Exceptional Ability [Second]	
Fiancé(e) to marry U.S. Citizen & live in U.S.	**K-1** *	Professionals and Other Workers [Third]	**C5, T5, R5, I5**
Intercountry Adoption of Orphan Children by U.S. Citizens	**IR3, IH3, IR4, IH4**	Employment Creation/Investors [Fifth]	**S (many**)**
Certain Family Members of U.S. Citizens	**IR2, CR2, IR5, F1, F3, F4**	Certain Special Immigrants: [Fourth] Religious Workers	**SD, SR**
Certain Family Members of Lawful Permanent Residents	**F2A, F2B**	Iraqi and Afghan Translators/Interpreters	**SI**
		Iraqis Who Worked for/on Behalf of the U.S. Government	**SQ**
		Afghans Who Worked for/on Behalf of the U.S. Government	**SQ**
		Other Immigrants	
		Diversity Immigrant Visa	**DV**
		Returning Resident	**SB**

Statistics on Immigration

- Globally, about 3.4 percent of the global population—260 million of the world's 8 billion people—are international migrants, a share that has increased slightly over the past couple decades. Almost three-quarters of immigrants are from less-developed countries, and slightly more migrants move between poor countries than from a low-income country to a wealthy one.

- The United States, approaching 50 million immigrants (foreign born), has by far the largest immigrant population, but as a percent of total population – 15% -- falls below other countries, as shown in charts on next 2 slides.

Top 15 Receiving Countries by International Migrant Population & Share of Total Population

International Migrant population

Share of Total Population (%)
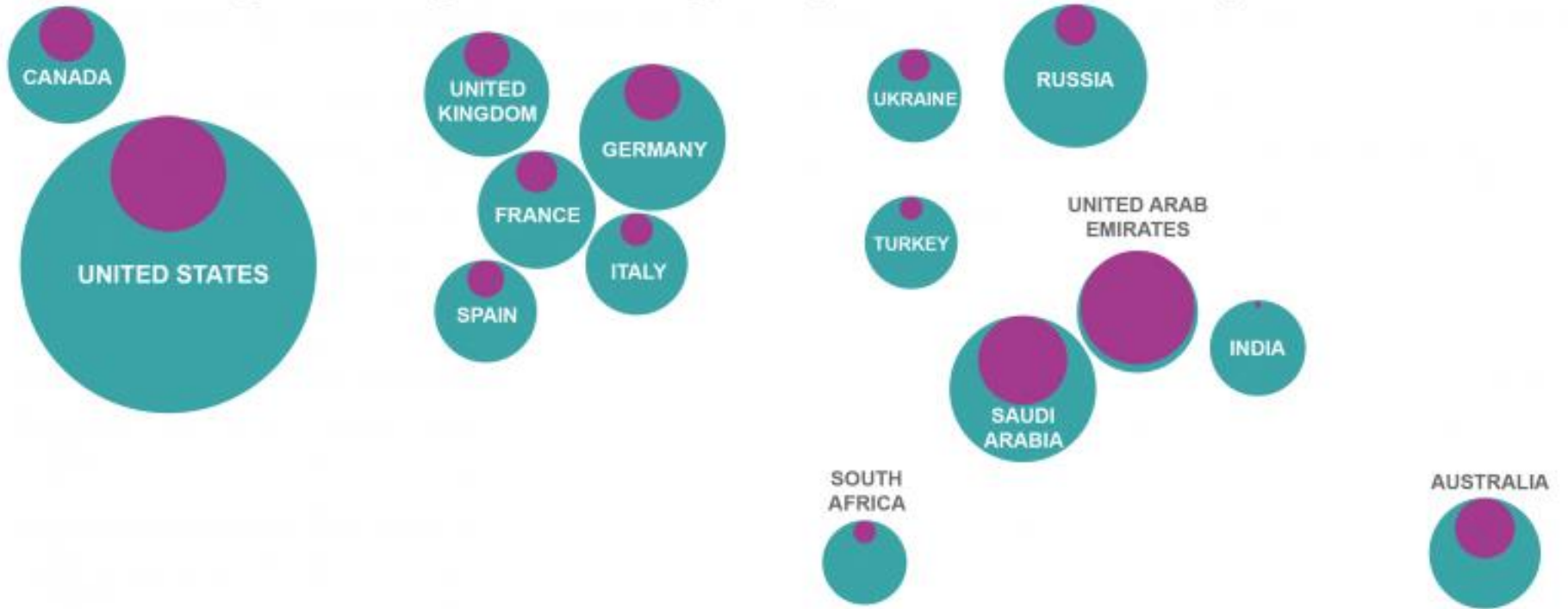
Country	International Migrant Population	Share of Total Population (%)
United States	49,777,000	15.3
Saudi Arabia	12,185,000	37.0
Germany	12,165,000	14.8
Russian Federation	11,652,000	8.1
United Kingdom	8,842,000	13.4
United Arab Emirates	8,313,000	88.4
France	7,903,000	12.2
Canada	7,861,000	21.5
Australia	7,036,000	28.8
Spain	5,947,000	12.8
Italy	5,907,000	10.0
India	5,189,000	0.4
Ukraine	4,964,000	11.2
Turkey	4,882,000	6.0
South Africa	4,037,000	7.1

* For visual representation purposes, the foreign-born share of the total population is included in the size of the immigrant population bubble, but is not a subset.

US Immigration in International Context

Rank	Country	Foreign-Born Population	% of Population
1	United States	46,627,102	14.3
2	Germany	12,005,690	14.9
3	Russia	11,643,276	7.7
4	Saudi Arabia *	10,185,945	31.4
5	United Kingdom	8,543,120	12.9
6	United Arab Emirates *	8,095,126	83.7
7	Canada	7,835,502	21.9
8	Australia	7,787,057	33.3
9	France	7,784,418	11.1
10	Spain	5,947,106	12.8

* Higher proportions of immigrants are temporary workers

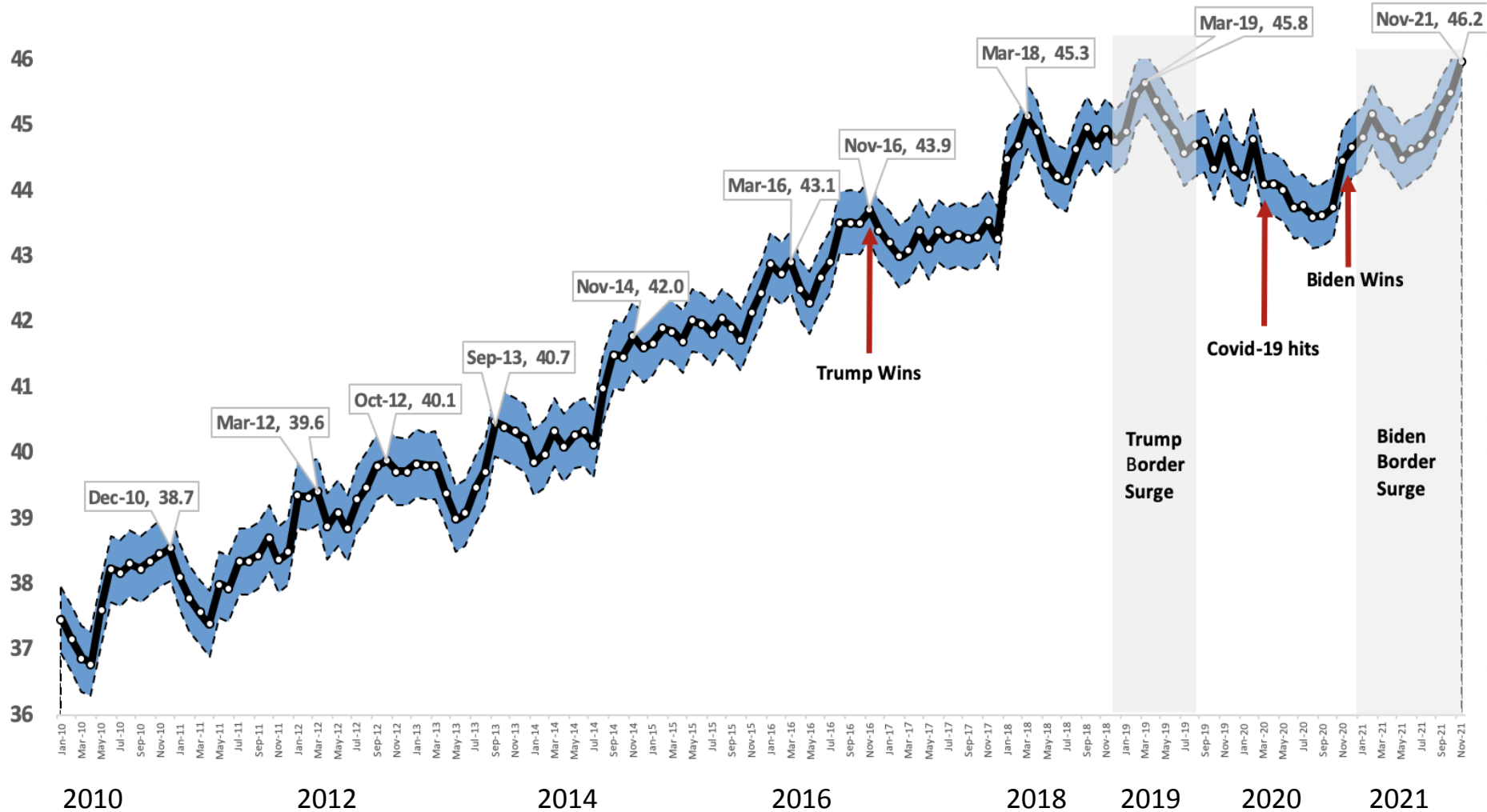|	New Zealand	1,039,736	25.1
	Japan	2,043,877	1.9

US Immigration Trends Over Time
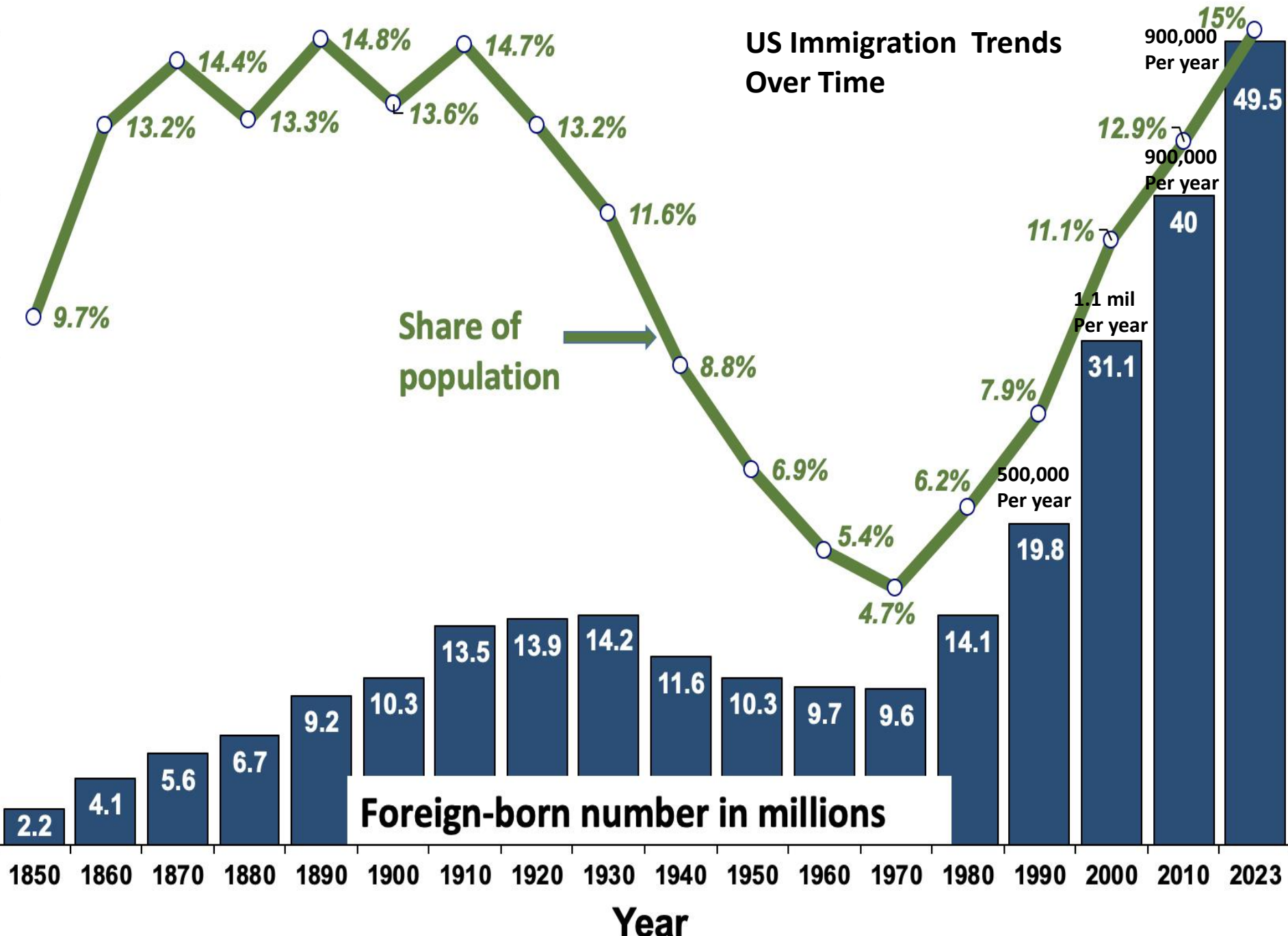
US Immigration Trends Since 2010

Figure 1. Immigrant Population in the U.S. by Month, January 2010 to November 2021
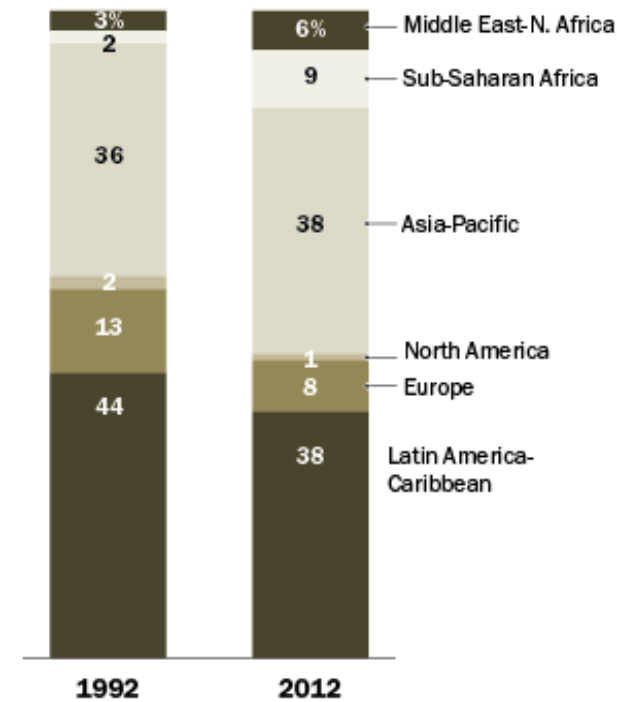(in millions)

Source: January 2010 to November 2021 Current Population Survey. Blue shaded area shows the margins of error around the point estimates, assuming a 90% confidence level.

US Immigration Trends, Disaggregated

Growing Share of Legal Immigrants from Asia, the Middle East and Africa
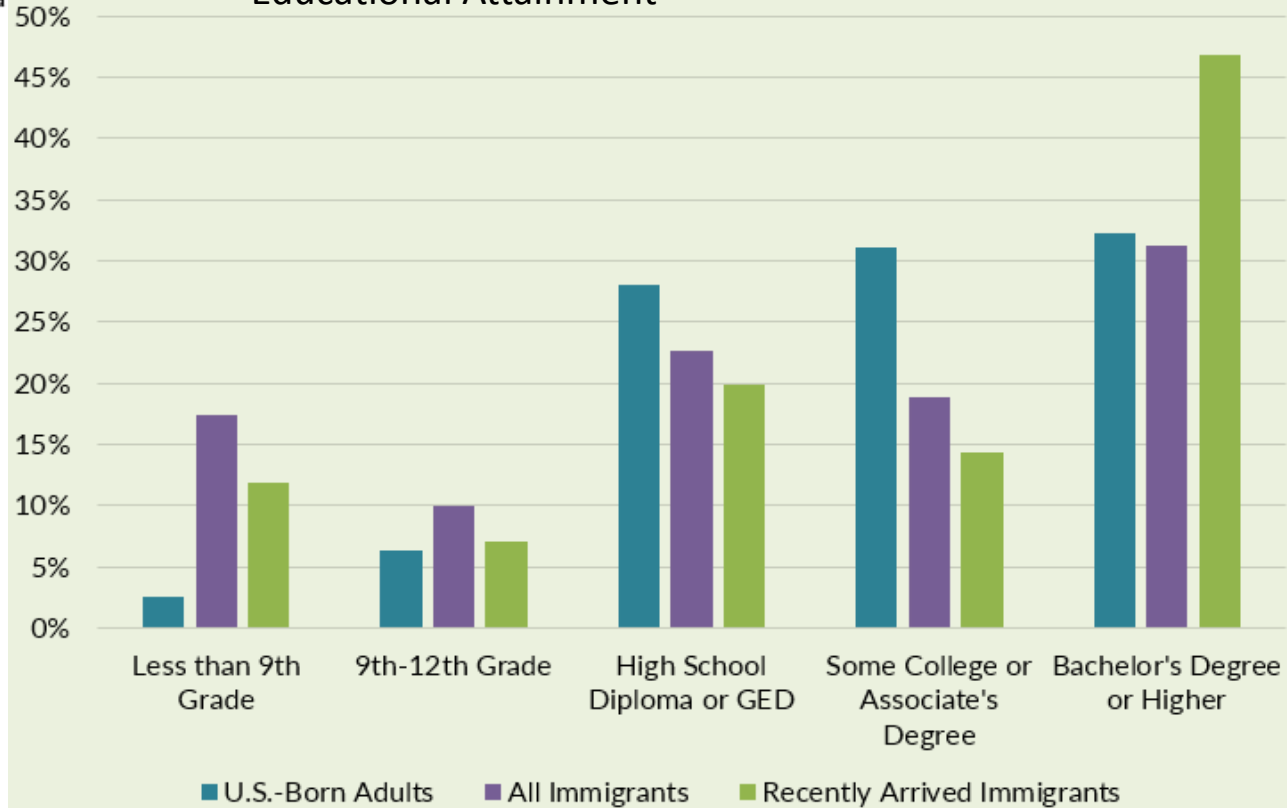
Percentage of legal immigrants from ...

1992
- Middle East-N. Africa: 3%
- Sub-Saharan Africa: 2
- Asia-Pacific: 36
- North America: 2
- Europe: 13
- Latin America-Caribbean: 44

2012
- Middle East-N. Africa: 6%
- Sub-Saharan Africa: 9
- Asia-Pacific: 38
- North America: 1
- Europe: 8
- Latin America-Caribbean: 38

Sources: Office of Immigration Statistics–Department of Homeland Security (1992-2012)

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Educational Attainment

Legend:
- U.S.-Born Adults
- All Immigrants
- Recently Arrived Immigrants

Categories: Less than 9th Grade, 9th-12th Grade, High School Diploma or GED, Some College or Associate's Degree, Bachelor's Degree or Higher
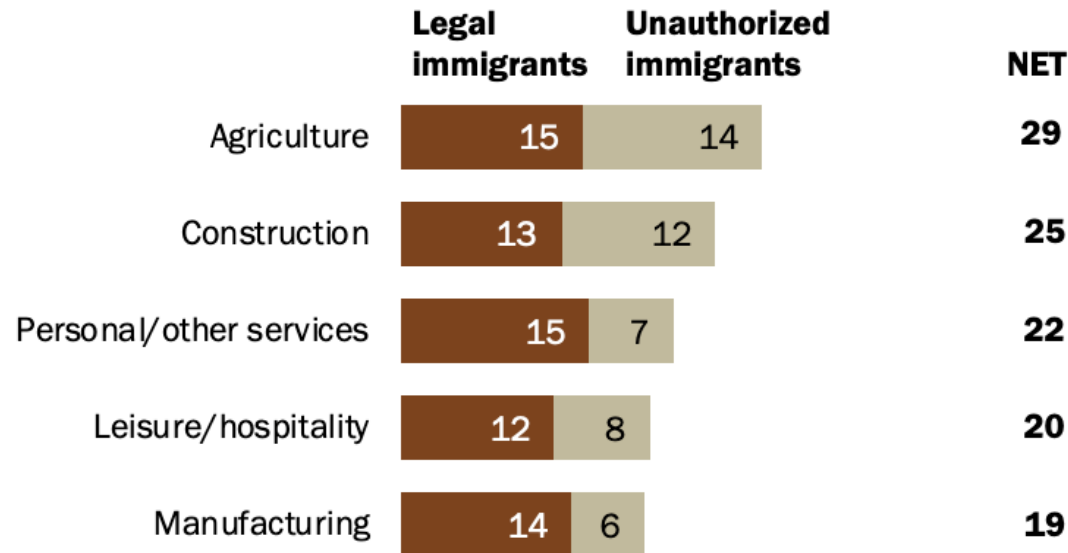
Occupational Distribution of Immigrant Workers

Legal and unauthorized immigrants make up a significant share of workers in some industries

% of workers in industries who are immigrants

	Legal immigrants	Unauthorized immigrants	NET
Agriculture	15	14	29
Construction	13	12	25
Personal/other services	15	7	22
Leisure/hospitality	12	8	20
Manufacturing	14	6	19

Note: Percentages calculated from unrounded numbers. Rankings based on unrounded percentages. "Personal/other services" refers to the Census Bureau's "Other services" group and includes those who work in private households. Other industry group names correspond to Census Bureau classifications for major industry groups. See "How we did this" for more.
Source: Pew Research Center estimates from augmented 2017 American Community Survey (IPUMS).

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Analysis of Economic Impacts

- **US GDP is raised**. Having immigrants adds to economic resources and permits higher levels of output. In some cases of particularly undesirable types of work, they may provide labor where there would be none without them.

- **Prices of products bought by US consumers are lowered**. The higher levels of output create a larger supply of products and reduces prices. While immigrants do create demand, their impact on supply likely is greater, leading to lowered prices.

- **Profits of US businesses are raised**. As immigrants increase supply of workers, increased supply causes drops in wages, lowers costs of businesses, and raise business profits. As immigrants are also consumers, they also increase demand for business' products.

- **More businesses are formed.** Immigrants appear to be disproportionally entrepreneurial. Data suggests that 1/3 of Silicon Valley firms were founded by immigrants, for example, and casual observation suggests more restaurants, lawn services, etc.
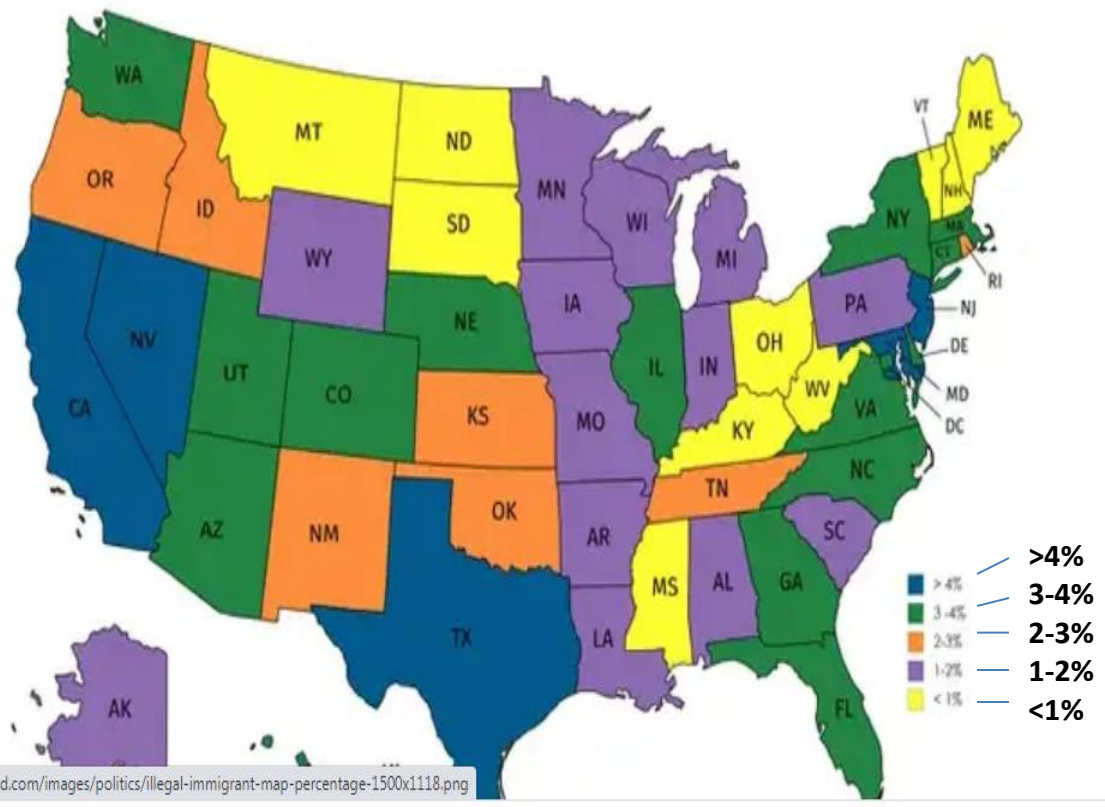
Economic Impacts

- **US public pension problem over next couple of decades is mitigated.** As immigrants are for most part workers, not elderly, they are creating greater flows into social security system than out of it. Studies of global public pension situations show countries with higher immigration rates, such as US, Australia, New Zealand, and Canada, have smaller future pension financial problems.

- **But, incomes of present US workers with similar skill sets are reduced**, as immigrants increase the supply of such workers and in turn put downward pressure on wages, and/or their unemployment is raised.

- **And, significant fiscal pressure is placed on states and localities with large concentrations of immigrants**. See next slide. Overall, fiscal impacts are likely net positive at national level and net negative at state and local levels.

Economic Impacts

- **Impacts also are affected by extent that immigrants remit portions of earnings** back to home country. The more they send home, the lesser boost to GDP, profits, tax collections, but the greater the impact on lowering prices.
  - According to US Balance of Payments data, immigrants remit around $300 billion yearly from the United States to their home countries.
- As overall observation, it should be noted that despite the above, and the difficulty that would be entailed in reversing role of immigrants in an economy after many years of immigration, **it is possible for an economy to function, although not without costs, with very low immigrant input**, with Japan being exemplar.
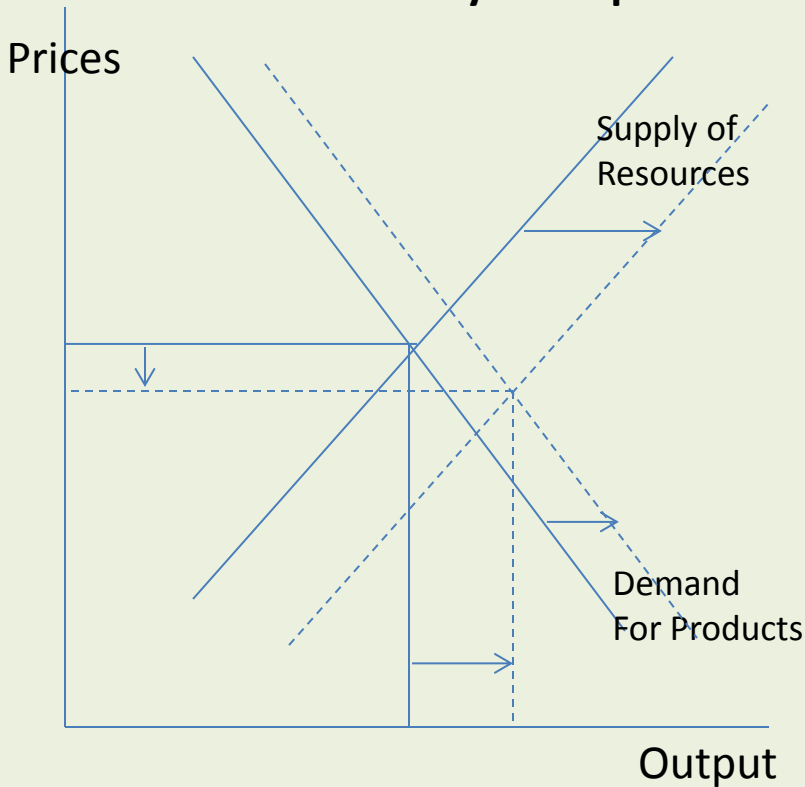
Illegal Immigrant % of Population by State

Economic Impacts

- Compared to legal/documented immigration, illegal/undocumented immigration has less positives / more negatives:

  - They are less educated, with nearly 50% not having a full high school education, so their GDP contribution is smaller

  - Their lower education levels, and in turn less likelihood of findiing decent paying job, also causes need to receive more benefits;

  - Surges, as have been occurring recently, magnify the negatives versus the positives by causing fewer benefits – i.e. more difficulty in matching to jobs – and higher costs – i.e. the need for funding unplanned needs.

- Graphs on next summarize the "high-level" economics of immigration impacts.
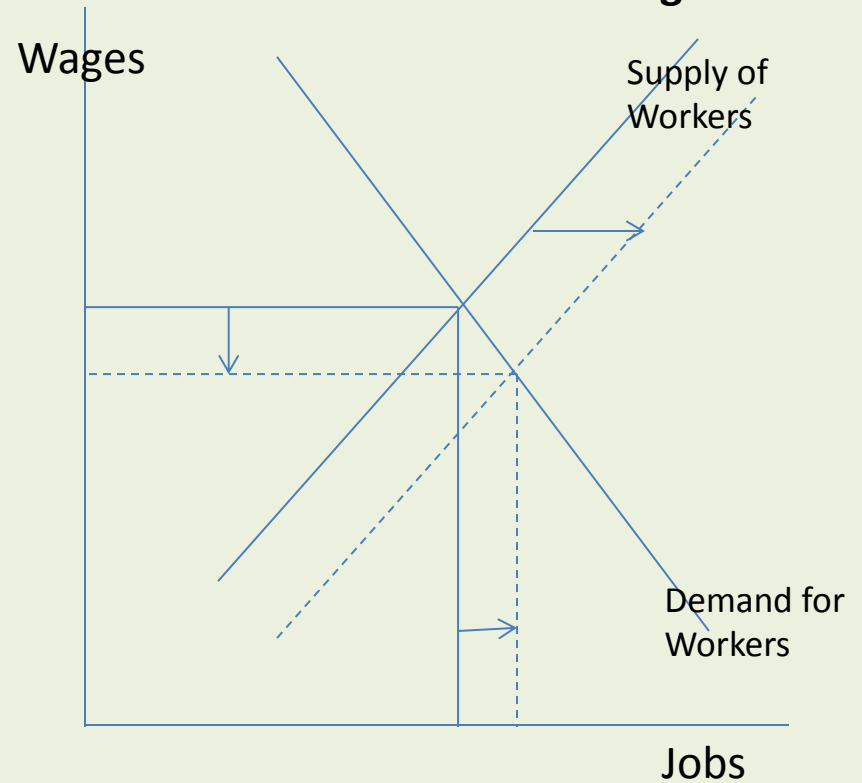
Economic Impacts – Graphical Illustration

On Overall Economy - net positive

On Similar Workers - net negative

Prices

Supply of Resources

Demand For Products

Output

Wages

Supply of Workers

Demand for Workers

Jobs

This graph illustrates impact of immigration on overall economy. The solid lines show the pre-immigration situation. After immigration, both supply and demand curves shift to right, causing more Output and lowering Prices, assuming as seems likely the supply shift is greater than the demand shift.

This graph analyzes the impact of immigration on similar workers. The solid lines show the pre-immigration situation. Immigration increases supply of workers, shown by dashed lines, which bid down wages of existing workers. While wage payments in total may go up or down, the payments to existing workers clearly goes down, with any increases going to immigrants.

By their explicit actions, most countries believe in the graph at right. They believe some immigration is beneficial, else they would allow none. But they also believe that at some point there can be too many immigrants so they do limit immigration.

In effect this graph illustrates this decision process. Initially immigration provides benefits – skills not resident in country, workers for non desirable jobs, etc. – but with diminishing returns (the flattening of the slope), that at some point (where curve turns down) even become negative. Challenge is knowing where, in number of immigrants, downturn occurs. And there are non-economic impacts.

Economic Impact of Immigration

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Amount of Immigration
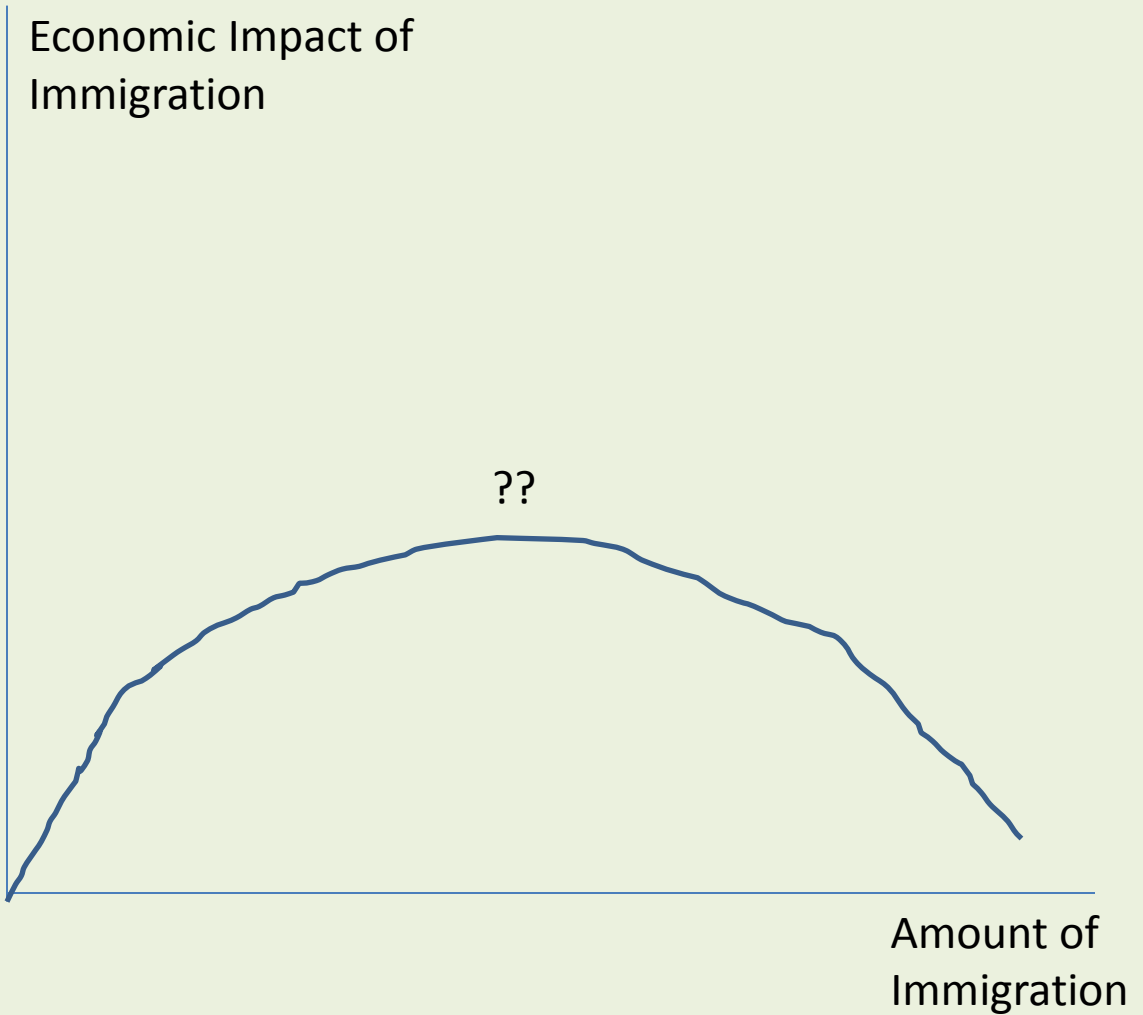
Takeaways

- The US, while not at top, has at global level a relatively high proportion of immigrants in its population, and a near-record US historical proportion.

- Economic theory says immigrants on balance are beneficial, most notably bringing additional labor resources, generating more and more varied products, and lowering prices of products.

- But, economic theory says they put downward pressure on wages of indigenous workers they are similar to in education and skills.

- They also probably have a net negative impact on state and local budgets due to services they require, although budget impact at Federal level may well be positive.

- Because of lower education and higher need levels, undocumented immigrants likely are less an economic positive than documented ones.

- And, surges create particular economic problems in that the sheer numbers work against getting them integrated into economy while at same time adding sharply to need to provide benefits.

- And in the end it is perhaps this concentration problem that is the problem. If incoming new undocumented immigrants could be instantly distributed throughout the US in proportion to population, suspect less controversy.

Internet References
(Can also obtain information through internet search against "US immigration")

- https://en.wikipedia.org/wiki/Immigration_to_the_United_States
- https://en.wikipedia.org/wiki/Visa_policy_of_the_United_States
- http://www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states/
- https://www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states/#CurrentHistoricalNumbers

- https://cis.org/Report/October-2023-ForeignBorn-Share-Was-Highest-History

- Pew Institute has a plethora of studies of the US immigration issue.