

## Speakers

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# Immigration: Myths, Realities, and the Future

ARRIVING AT IMMIGRATION POLICIES and reforms that work for both human and national interests will require an understanding of current immigration challenges. Steven Hubbard, Jennifer Hunt, and Douglas S. Massey discussed the myths, realities, and future of immigration.

**CARLOS VARGAS-RAMOS:** Thank you very much to the Network for Responsible Public Policy (NFRPP) for the invitation to attend tonight's event and to serve as the moderator of this conversation.

The United States is indeed a country of immigrants, but more fully we are a country of settlers—the native or autochthonous populations who were displaced and ultimately subjugated through territorial expansion or acquisition, immigrants, as well as persons brought into this land involuntarily.

Who is admitted? Who is prevented from arriving? Who is allowed to remain? And who is ultimately incorporated into the body politic of the United States? These have all been subjects of intense debate since the founding of the republic, ebbing and flowing in prominence and relevance in the political discourse of this country over scores of years.

Immigration and attendant issues of the makeup of American society have intensified over the past 40 years in the wake of the Immigration and Nationality Act of 1965. Witnessing the present debates and looking back to a century ago gives me a sense of déjà vu, even if the details may have shifted somewhat. But we are also witnessing population movements across political borders—not simply in North America, but also in Europe, the Middle East, Africa, and East and Southeast Asia. Therefore, immigration has become a global phenomenon of massive proportions and grave political consequence.

I thank NFRPP for organizing this event, and for its interest in promoting policies and reforms that work for both human and national interests. Such a goal requires an understanding of what is occurring with our current immigration challenges. We certainly have a group of esteemed and eminent scholars that can help elucidate the intricacies of this issue, its present conditions, and what may come in the short and medium terms.

With us this evening are Dr. Steven Hubbard, Dr. Jennifer Hunt, and Dr. Douglas Massey. They will each make a brief presentation, after which the four of us will engage in a conversation to expand on the presentations made. We will then open the discussion to the audience, as we field questions posed to the presenters.

We begin this evening's program with Dr. Steven Hubbard, who is a data scientist at New American Economy, where he conducts research and data visualization projects related to how immigration impacts our economy. Most recently, he was a Zolberg Fellow at The New School and International Rescue Committee, where he conducted research on Syrian refugees living in Jordan. He has over 20 years of experience in college teaching, research, and administration at New York University, The University of Iowa, and Hamline University. Dr. Hubbard, welcome.

**STEVEN HUBBARD:** It is great to be here. I am a data scientist, and today I am going to be making an economic case for welcoming immigrants to the United States. I am going to first talk about New American Economy (NAE), because that provides a framework about how we discuss immigration and its impact on our economy. Then I will talk about the population—how immigrants impact our population as well as how immigrants are important in offsetting our aging workforce. I will talk about healthcare and how immigrants are important to our healthcare system, as well as the fields of science, technology, engineering, and math (STEM), and in entrepreneurship. At the end, I will provide some tools for gathering more information about immigrants in your own state, county, and metropolitan areas.

New American Economy is a bipartisan research and advocacy organization fighting to change the narrative about immigrants in America. I do want to stress that we are bipartisan. We have Republicans, Democrats, and independents on our boards. We work with mayors and governors from different political parties to look at this and to try to change that narrative.

Essentially, immigration has been a base issue—an issue that each side uses to gin up its base to win elections. On the left, the conversation is almost completely about human rights and families. On the right, it is almost completely about law and order, national security, and terrorism. Both are important conversations to have, but they are not the whole picture. An immigration debate that is far left versus far right does not lead to meaningful change. And that is what we are trying to do—to promote some sort of meaningful change within the United States.

I am sure you see this in your own community—a community that is vibrant, diverse, and full of immigrant talent. There are also real challenges as well. But the situation you see on the ground does not really match the rhetoric you hear at the national level. It is more complicated than a debate about building a wall versus abolishing ICE. Despite all this, the one thing that everyone agrees on is that our immigration system is broken. We have made almost zero progress in fixing it in the past 50 years.

That is why New American Economy was formed. Our theory of change is that the humanitarian case only works on one side of the debate, while law and order only works on the other side. We need arguments that can work with both sides. So, we decided to start with an economic case, and that is what I am going to talk about today.

For instance, in New York City, where I live, almost half of our businesses are founded by immigrants. The city thrives because of immigrants. Immigration is essential to our economic and cultural success. Therefore, NAE was founded in New York City in 2010 while Michael Bloomberg was mayor. It was founded in the mayor's office as a coalition of 500 Republican, Democratic, and independent mayors and business leaders to approach immigration as important in our ability to grow and compete globally. It was formed for those who want to talk about immigration in a different way.

To that end, we use original research to highlight that immigration, at its core, is an economic issue. The data we gather from our research is then used by local leaders around the country to change the conversation around immigrants, and to inform new policies that welcome and integrate them. Basically, we want our research to change the narrative and to make an economic case for policies that are inclusive and drive economic growth.

We work with local governments at the city level. We also work at the state level. We build coalitions of business leaders and political leaders to change immigration policies at the state and local levels. We also work at the national level, but not a lot is happening right now at the national level. That could change very quickly. We have a new president and a new Congress, but right now we seem to be focusing on infrastructure and other areas.

In addition to our advocacy work and our research, we try to educate the public about the

importance of immigration for our economic growth, as well as to demonstrate that immigrants are important to our culture. We have done, especially during the pandemic, food demonstrations. Immigrant chefs have been invited to come online and share their knowledge. We also have a book club and a film club, all online.

In many ways, this message has worked over the past eight years. Americans were on the fence on whether immigrants are a strength or a burden for our country. Today, more than two-thirds of Americans say that immigrants are a strength. Among young people, about 75 percent say immigrants are a strength rather than a burden. So, we do see some positive growth in this area.

Immigrants are important for our population growth. In the United States, immigrants were responsible for 27 percent of our population growth from 2014 to 2019. That is important in economic growth terms because we need to grow in population to promote growth within communities and in our workforce. We do not want a stagnant growth, which would decrease businesses within communities.

People often think that growth is highest in border states like Texas, Arizona, and New Mexico, but that is not the case. From 2014 to 2019, South Dakota had the largest increase of immigrants. The number of immigrants rose by 54 percent. South Carolina was second with 28 percent, Delaware was third at 23 percent, and Washington state was fourth at 22 percent. During this time, immigrants' share of the total population rose from 13.2 percent to 13.6 percent.

There is also an assumption about the origins of immigrants. Of course, Mexico is the top country of origin of immigrants, but that is dropping. The share of Mexican immigrants dropped from 27.7 percent to 24.3 percent between 2014 and 2019. What countries of origin were increasing? The shares of immigrants from India and China rose. From 2014 to 2019, Indian immigrants rose by over half a million and Chinese immigrants rose by more than 344,000.

We talk about growth, but we also need to talk about spending power and immigrants' contributions to spending in our economy. In the United States, the immigrant household income total was at \$1.7 trillion in 2019. Of that, \$162 billion went to state and local taxes, and \$331 billion went to federal

taxes to pay for things like Medicare and other federal programs. That left immigrants with \$1.3 trillion in total spending power.

Immigrants contribute considerably to our population growth across the country. They are also usually younger and more likely to be of working age when they immigrate to America. Our median age is increasing, and this means that the U.S. workforce population is declining. The birth rates of younger generations are at a record low, while baby boomers are going into retirement and aging. This means that our labor supply is dwindling, and the contributions that workers make to important federal programs, like Social Security and Medicare, are also decreasing.

It is important to bring in immigrants who are younger to offset an aging workforce. For instance, nearly 80 percent of the foreign-born population are of working age. For the U.S.-born population, 62 percent of the population are of working age. For successful economic development, it is important to have a population that is within the working age category of 16 to 65 to attract business and entrepreneurship.

When we talk about the aging workforce, we also need to talk about healthcare. With our aging population, the need for healthcare professionals will dramatically increase. By 2025, America will face a shortage of 46,000 to 90,000 doctors. Employers in some parts of the country struggle to find enough healthcare workers to care for a rapidly aging baby boomer population.

One NAE study found that 135 counties in the United States, often rural ones with high healthcare needs, lack even a single physician. This is something that hits home for me because my parents live in a rural county of Iowa with very few doctors. Recently, immigrants in states like Iowa and across the country often find work in fields facing labor shortages, such as in healthcare, nursing, computer science, engineering, and other STEM professions.

For America to compete in the twenty-first century, we need a workforce skilled in science, technology, engineering, and math, yet American students are not entering those industries in sufficient numbers. The United States is projected to face a shortage of 230,000 STEM workers by 2022. Foreign-born students frequently gravitate towards STEM

disciplines, making up roughly one out of every three individuals earning graduate-level STEM degrees each year. Our broken visa system, however, makes it difficult for many of them to stay after graduation—a reality that hinders many employers' abilities to expand and create opportunities for all American workers.

Immigrants nationwide are 35 percent more likely to work in STEM jobs. Looking nationally at the nine most common bachelor's degree fields of study for recent immigrants, more than half of the top nine fields are in STEM. Close to 28,000 new immigrants had degrees in computer science, while 18,000 studied healthcare and medicine. Of those without STEM degrees, the majority were studying business at 45,000.

STEM fields also create entrepreneurship, and this is another important part. When you look at our top patent-producing universities in the United States, the immigrant share of patents is at 76 percent. Additionally, there are 2.62 American jobs created for every foreign-born STEM worker with an advanced U.S. degree. So, you can see that having people in STEM creates jobs and enhances the economy.

When we talk about entrepreneurs, we also need to talk about how entrepreneurs create jobs. Startups are responsible for all net job growth within the U.S. economy. Firms owned by new Americans provide millions of jobs for U.S. workers, and generate billions of dollars in annual income. One in five entrepreneurs are immigrants—a total of 3.2 million. Also, immigrant entrepreneurs employ eight million Americans, and generate \$1.3 trillion in sales. With new business formations slowing in the United States, immigrant entrepreneurs make an important impact in many parts of the country.

From a recent study we know that nearly 45 percent of Fortune 500 companies were either founded by immigrants or by the children of immigrants. When you think about it, it makes sense. If someone is taking the risk to immigrate to another country, that is the same sort of risk and skill needed to start your own business.

But that is also at the local level, not just large Fortune 500 companies. Entrepreneurship is very important at the local level. The Fiscal Policy Institute conducted a study on new main street businesses in 2015, and they found that immigrants are much

more likely to start main street businesses such as grocery stores, restaurants, barber shops, and beauty salons. Immigrants were responsible for 90,000 new main street businesses across the United States, while U.S.-born main street businesses lost ground during that time.

So, that is what I wanted to share as far as the numbers. All this you can find at our website at [www.MapTheImpact.org](http://www.MapTheImpact.org). Our data is mostly from the American Community Survey, which is from the U.S. Census Bureau. The census of course is every 10 years, but the U.S. Census Bureau also does a survey every year that is called the American Community Survey. On there you can find information at the state, county, metropolitan, and congressional district levels. You can look at demographic information about immigrants, the workforce, entrepreneurship, and many other different types of things that I talked about today. Also, we have a website, [data.newamericaneconomy.org](http://data.newamericaneconomy.org), which has untold stories using data on various topics, including the Fortune 500 study which I just mentioned. We also have a data interactive on movies and immigrants.

**VARGAS-RAMOS:** Thank you very much, Dr. Hubbard. Our next presentation is by Dr. Jennifer Hunt, Professor of economics at Rutgers University. From 2013 to 2015, she was on leave from Rutgers to serve as Chief Economist of the U.S. Department of Labor, and then as Deputy Assistant Secretary for Microeconomic Analysis at the U.S. Department of the Treasury. Before joining Rutgers University in 2011, she held positions at McGill University, the University of Montreal, and Yale University. Dr. Hunt is a research associate at the National Bureau of Economic Research, and a research fellow at the Center for Economic Policy Research in London. Her current research focuses on the geographic diffusion of technology adoption, while past research has also encompassed immigration, wage inequality, unemployment, the science and engineering workforce, the transition from communism, and crime and corruption. She received her doctorate in economics from Harvard University and her bachelor's degree from the Massachusetts Institute of Technology. Dr. Hunt, welcome.

**JENNIFER HUNT:** Thank you very much. It is a real pleasure to be here. What I am going to talk about is the impact of immigration on the economy. But I am



going to start off by putting immigration into the United States in a larger perspective with a time series—what has happened over time from 1850 to 2019.

The number of immigrants to the United States started increasing from the census of 1970, which follows the reform liberalizing immigration in 1965. The absolute numbers are at the highest level ever by 2019. From the point of view of immigrants as a percentage share of the U.S. population, however, there is a big decline after restrictions on immigration were introduced in the late 1910s, and then there is a turnaround after the 1965 reform. By 2019, we are back to the same level as the historic nineteenth century and up through 1910 levels.

Do those numbers mean that the United States is a high-immigration country? I want to put this in an international perspective and tell you that the United States is not in fact a high-immigration country. Compared, as of 2019, to all the countries that belong to the Organization for Economic Co-operation and Development, which is basically a club of rich countries, the United States is an average-immigration country when scaled by the size of the population. Switzerland, Australia, and New Zealand are up towards 30 percent of the population being foreign-born, compared to 14 percent for the United States, or double the U.S. rate.

On the other hand, looked at in another way, the United States is a high-immigration country because it is big. The absolute number of immigrants in the United States in 2019 was 44 million. That is equal to the total immigrants of Germany, United Kingdom, France, Canada, and Australia put together. So, from the point of view of immigrants, the United States is an extremely high-immigration country. And what the United States does about immigration, including refugee settlement, is extremely important for immigrants.

How educated are U.S. immigrants compared to those in other countries? The share that have a college degree is about one-third in the United States. In Canada, it is 60 percent, but I would urge you not to view this as the only thing that matters. In fact, Canada's college-educated immigrants earn about the same as high school native-born workers. In the United States, college-educated immigrants earn similarly to native-born college-educated workers.

So, this was to give you a bit of perspective before I go into, first, the theory of what should happen to the economy when there is immigration, and then empirical evidence. Also, what is the point of immigration? To assess the results, you also need to think about that. So, perhaps there is actually no point. Perhaps immigration is simply a basic freedom, and nothing else really matters. That is one possibility.

Another possibility is that immigration is more about asylum seekers and refugees, and the point is to give refuge to people fleeing non-economic issues. For example, Switzerland viewed itself in that way—not more recently, but historically. Should refuge include refuge from violence? That is something that is being re-debated in the United States and was not covered by the international convention on refugees. Should it include refuge from poverty? That would be worthy of its own point. Is the point of immigration to help immigrants economically? Or perhaps the point of immigration could be to increase the population?

I am speaking to you from Australia at the moment. After the Second World War, the Australian government adopted the mantra “populate or perish.” There was an explicit aim to increase the population because Australia viewed it as not having enough people for national security reasons. I think even a casual look at the world today suggests that one's influence is in proportion to one's population.

On the other hand, particularly if you are a company, perhaps you think the point of immigration is to increase the overall size of the economy—which is closely related to increasing the population, although not the same thing. As is commonly the focus of the empirical literature, we can examine whether the point is to increase the wellbeing of the native-born, particularly the economic wellbeing, and whether that is expected to happen or likely to happen. That is what I am going to be focusing on now.

Some good news from the theory of migration: open borders is the best policy, at least viewed in terms of the aggregate. Letting people move freely—between countries, states, or cities—maximizes world income. It will maximize U.S. income, the rest of the world's income, and the income for the native-born in the United States. So, if you are only interested in totals and not in the distribution, you are finished with the theory.

Is there a catch? Some people may be a little skeptical. There are a few catches involved in that simple model, even if you are interested only in the total. One is the assumption that there is no welfare state system. In principle, it is true that if your welfare state was more generous than other welfare states, you could attract more immigrants than justified by the economy on its own. That need not be a reason not to have immigration, because you could stop immigrants from getting welfare. In fact, a bill passed in 1996 along those lines in the United States, but a lot of it was overturned by the courts. You could also have a special tax.

The model also assumes some things about the competence of the government. For example, it assumes that the government can handle population growth, which implies building infrastructure and having policies that allow an expansion in housing. That potentially might not happen.

The catch I am going to talk more about is that there are winners and losers from migration. That is true for any policy. When I was in government, I noticed that there is a widespread desire for policies that make some people better off and no one worse off, but there are very few such policies.

Let us think about the theory, and the immigration of people who are similar to natives or similarly skilled in terms of education, experience, and so forth. You can think about that as very similar to the effect of increased fertility, except that having a baby influences the labor market with somewhat of a lag, rather than immediately.

What happens when you have an extra person, whatever the source of that person? There are more people, which means there are more people competing in the labor market. However, they are not actually competing for the same number of jobs. Why not? Because firms anticipate having more customers. Since there are more people, they install more capital and hire more workers. This means that these workers are paying taxes. Tax revenue rises, and, in the ideal case, the government then uses that additional tax revenue to build more schools, hospitals, roads, and so forth. You end up with a larger economy, but no prices have changed. That includes the prices of goods, wages, and the cost of capital. You just have more. There could be some non-economic reasons why you do not want more, but economically it is essentially the same.

In this case of immigration of people similar to natives, why might the economy do something other than just expand? You could get something better. The more people you have, the more innovations you tend to have. Technological progress increases growth, and it causes a sustained upward trend of wages. So that would be a better outcome.

A worse outcome would be in a country, for example, where agriculture is very important. You cannot increase the amount of land being farmed. Wages would then decline if you had more and more people trying to become farmers with a fixed amount of land.

Now, let us go into the more interesting and complicated case, which is the real-world scenario. Normally, immigration is of people different from natives. In this case, native-born workers' wages will fall if those workers are similar to immigrants. On the other hand, those who are different can be complementary to immigrants, meaning they work with immigrants on tasks and projects. When there are more immigrants, there is more demand for them, and so the wages of natives complementary to immigrants rise. That is a very crude summary of what happens.

What are the mechanisms by which this can come about? Firms tend to shift the types of goods they produce when their customers change and their workforce changes. They will shift the technology they use to produce a different good when their workforce changes. The native-born who are still receiving education will respond to low skill immigration by upgrading their education. The effect will happen mostly for natives still receiving education. They will move into occupations that are more communication-intensive, where they do not compete with immigrants. Of course, not all of them will be able to do this, but this is one mechanism that could happen.

In the end, when you average over all native-born, and I include owners of firms as well as workers, natives are better off precisely because the immigrants are different. When there are a greater variety of people, people specialize more in what they are best at, and that raises productivity.

In terms of the empirical work, I want to highlight findings from a 2017 consensus report from the National Academies of Sciences. This was written by a group of economists and demographers, and I was privileged to be one of them. As for all such reports from the National Academies, we had to come up

with a consensus. By the way, amongst the consensus was the theory that I just gave you. I will tell you the one area where we did not reach consensus, but for the most part we did. This emphasizes that even when we appear to disagree amongst ourselves about immigration, we actually agree on most things. We disagree on a small fraction. I will also say that this is for the United States only.

We agreed that there is no impact of immigration on the employment rate of native-born workers. We agreed that there is no impact on average native workers' wages, which was more surprising. However, the wages of high school dropouts are hurt, but we did not come to a consensus on how much they were hurt. Only 8 percent of working age natives are high school dropouts, so we are talking about a relatively small group. My own view is that the reduction in wages is relatively small. Nevertheless, this is a concern.

What are some other outcomes that we agreed on? Total GDP, the size of the economy, increases. Firms, owners of firms, and, therefore, shareholders benefit. Based in part on my own research, innovation increases because the immigrants we get are very innovative, which means that we are boosting economic growth. Then, there is empirical evidence for those adjustment mechanisms that I mentioned—like switching to more communication-intensive occupations and firms changing their technology.

There was original research on the fiscal impact of immigration on federal, state, and local governments. Immigrants and natives are both a drain on the budget. It is true that immigrants are a greater drain, but the main reason why is interesting. It is because immigrants have more children in school than natives—partly because they are younger and partly because they have more children. That is the main cost. But you could view it as an investment. In fact, these children go on to be higher earners than other natives, and end up paying more in taxes than other natives.

I am going to leave it there, but I am going to recommend a graphic novel by a friend and economist, Bryan Caplan, and a cartoonist, Zach Weinersmith. It is plugging open borders, but you will learn about economics and laugh at the same time. Of course, you are free to disagree with the final conclusion, but I

think you will learn a lot, so I really recommend that book.

**VARGAS-RAMOS:** Thank you very much, Dr. Hunt. Our third presentation this evening is from Dr. Douglas Massey. He is the Henry G. Bryant Professor of Sociology and Public Affairs at Princeton University, with a joint appointment in the Princeton School of Public and International Affairs. He is a member of the National Academy of Sciences, the American Academy of Arts and Sciences, the American Philosophical Society, and the Council of the National Academy of Science. He is currently the president of the American Academy of Political and Social Science, and co-editor of the *Annual Review of Sociology*. Dr. Massey's research focuses on international migration, race and housing, discrimination, education, urban poverty, stratification, and Latin America, especially Mexico. He is the author of *Brokered Boundaries: Constructing Immigrant Identity in Anti-Immigrant Times*, co-authored with Magaly Sanchez and published by the Russell Sage Foundation. Welcome, Dr. Massey.

**DOUGLAS S. MASSEY:** Thank you. It is great to be here. I am going to change the tone a little bit and talk about what is happening at the Mexico-U.S. border. A lot of discussion around immigration focuses on the border as a prominent symbol, and the border is probably one of the most misunderstood pieces of real estate anywhere in the country today.

The first thing that we need to know is that illegal migration from Mexico to the United States has dropped to record low levels. We have data from the Mexican Migration Project, a large data gathering project I have been running in Mexico for the past 40 years, since about 1982. From the survey data we collect with complete life histories of people, we are able to calculate the probability of taking a first trip to the United States.

The probability began to rise in 1965. The Immigration Act of 1965, contrary to what a lot of people believe, actually cut down on opportunities for legal immigration from countries in the Western Hemisphere, and canceled the longstanding guest worker program. That led to the rise of undocumented migration. It peaks around 1979–1980, fluctuates with various economic conditions, and then begins a long

decline towards very low levels around the turn of the century, 1999–2000. According to our data, it actually reaches zero around 2018.

Data from the Latin America Migration Project looks at immigration from Central America. Before 1980 there was very little migration of people without documents from Central America. Migration grows and peaks in the late 1980s to around 1990. It then goes back down, but it never goes back down to the status quo ante. That is because after the displacement which occurred during the U.S. intervention of the 1980s, there are several million people in the United States with relatives in the sending communities that can use their family ties to gain entry to the United States.

Data from the U.S. Department of Homeland Security measures migration from Mexico in three statuses from 1940 to 2020. Documented migration increases. There is a little boom during the legalization program of the late 1980s, and then it goes back down to a level just below 200,000 per year from Mexico. Undocumented migration rose in the early 1950s. In the late 1950s, the United States created a guest worker program called the Bracero Program. That basically took care of the illegal migration during the late 1950s until 1965. Illegal migration was very low. Then the new immigration restrictions came into effect and, just like in the data from my study, you find an increase in undocumented migration that fluctuates. It then comes down to low levels after 2000, and is very low by 2020.

Between 2008 and 2018, Mexicans stopped migrating to the United States without authorization. The number of people entering the United States from Mexico without authorization was smaller than the number of people leaving. The net inflow went negative, and the number of undocumented Mexicans in the United States fell in absolute terms. Apprehensions along the Mexico-U.S. border rose to a peak of about 1.6 million around 2000. Then, after the great recession hit, it went down to very low levels. It remained at very low levels until recently.

Non-Mexicans were always there at some level. Non-Mexican migration has risen most recently. In 2018–2019, non-Mexicans became predominant among the people being caught at the border. What had been this huge flow of Mexican workers coming into the United States, usually to take jobs, has been

replaced by a much smaller inflow of non-Mexicans, who are not coming to take jobs, but to seek refuge.

Back in the year 2007, when we started getting the national origins from apprehensions data, 93 percent of the border apprehensions were Mexicans. That falls, bounces back up around 2014–2015, and then continues to fall. It is at a record low level since the beginning of border statistics in 1924—only 19.5 percent of the people caught trying to cross to the United States in 2019 were from Mexico.

The situation at the border has completely changed. Mexicans are no longer coming in in great numbers. They have been replaced by Central Americans, but the number of Central Americans is much smaller than was the number of Mexicans. The Central Americans basically come from what is called the Northern Triangle Region, which is El Salvador, Guatemala, and Honduras.

Data from the Pew Hispanic Center in Washington, D.C. shows the net change in the undocumented population at different periods of time for two populations, Central Americans and Mexicans. Central Americans here are defined as El Salvadorans, Hondurans, and Guatemalans. Back in the 1990s, Mexicans were coming in in large numbers, up through about 2005. Then from 2005 to 2007 that number falls. It then goes decidedly negative after the onset of the great recession, and drops by 1.4 million people. That is the net loss from the undocumented Mexican population. The data shows that there were always Central Americans. But what happened most recently to create the appearance of a new crisis at the border, is that the Mexicans disappeared, and the Central Americans were the only ones left.

Why Central Americans? The short answer is that it comes from the U.S. intervention in the Cold War in the 1980s. Prior to 1980, there was virtually no legal immigration from Central America to the United States. Then, the United States intervened to depose the Sandinistas with military and political interventions, which unleashed waves of violence in El Salvador, Guatemala, Honduras, and Nicaragua. That displaced lots of people. People fled and many of them came to the United States. So, there is a boom in people coming to the United States from 1980 to 1990. Then the peace process happens, and it goes back down. But as with the data that I collected from the Latin America Migration Project, it does not go back down to the status quo ante.



When the United States intervened, and unleashed a wave of violence, it really destroyed the economy. In the frontline nations of El Salvador, Guatemala, Honduras, and Nicaragua, GDP per capita fell in absolute terms. These are real dollars. It dropped substantially for more than a decade. Then it started to come back but at a very slow pace. It does not even reach its pre-Sandinista level until 2011. The intervention opened up a huge gap between the frontline nations and the nations that were not involved in the U.S. intervention. It caused a permanent degradation of the economy. It also inculcated permanent violence into the Northern Triangle countries. There is a big gap between the homicide rate in the Northern Triangle countries and Costa Rica and Panama by comparison.

This also had to do with the U.S. deportation regime. Prior to 1996, the United States did not deport very many people. Then in 1996, the Antiterrorism and Effective Death Penalty Act passes. In the wake of the terrorist attacks on September 11, the USA Patriot Act then passes. These two acts dramatically increase the number of deportations from within the United States.

Both of these deportation efforts were launched in the name of the war on terror, but we did not deport very many terrorists. The people we ended up deporting were Latinos from the United States. The top 10 deportation countries were all from Latin America, with the exception of Jamaica. Basically, Arab terrorists from Kuwait and Saudi Arabia drove planes into towers on September 11, and to show al Qaeda how tough we are, we deported our Latinos.

This deportation regime had consequences. There were very few deportations of people until the 1990s, and then the cumulative number of deportations to the frontline nations of El Salvador, Guatemala, and Honduras increased dramatically. The other thing that happened in the 1990s was the steady criminalization of parts of the immigration system—changing what had been civil infractions or misdemeanors into more serious crimes. So, more people were swept up in the deportation regime and got deported back into Central America.

I am sure that most of you have heard of the gang Mara Salvatrucha, MS-13, which has a foothold in El Salvador, Guatemala, and Honduras. But MS-13 was actually founded in Los Angeles in the 1980s among

Salvadorans who had been displaced by the violence coming out of the U.S. intervention. They moved to Los Angeles, where they had a very difficult time fitting into the economy because Mexicans were so dominant. Mexicans had all the organizations, the jobs, the connections, and the social networks. Young men particularly had a rough time getting into either school or the labor force, and ended up on the streets where they were preyed upon by gangs, mainly black gangs like the Bloods and Crips. They formed their own gang in self-defense, and then when the deportation campaigns got going in the name of the war on terror, they got deported, which basically exported the gangs back to Central America.

Now, people are fleeing Central America and coming to the United States, not for jobs, but for refuge. Historically, most of the people migrating were single adults from Mexico. That is typical. There were very few family units and very few minors. Based on the number of people apprehended from October 2016 to September 2019, in 2019 there was a huge surge in people traveling in family units, and a smaller, but significant, surge of unaccompanied minors. For the first time, family units along the border outnumbered the single adults coming in. Looking at the composition by year of single adults, unaccompanied minors, and family units, the surge of family units that peaks in May and June of 2019 gives us a very different set of circumstances at the border. And we can see who is contributing to this.

Among family units there are very few Mexicans. They are from Honduras, Guatemala, and El Salvador. Among unaccompanied minors, only about one-fifth are from Mexico. Only among single migrants do you even get a plurality of Mexicans. So, the composition of migration and the people coming to the United States along the border has changed quite dramatically.

Like I said, these migrants are coming from Central America in family groups. They are coming with women and children, and they are seeking to escape horrendous conditions that trace back to the U.S. intervention in the 1980s. They are not seeking jobs, they are seeking refuge. What they seek to do is go to a border crossing, a port of entry to the United States, and ask for asylum—which they are entitled to do under U.S. law.

Under U.S. law they are supposed to have their asylum claims taken, be brought into the country, and have their claims adjudicated. But over the last several administrations, and particularly under the Trump administration, we were not honoring our own laws. We were turning these people back at the border, and they would be thrown into camps in Mexico. After wasting away in camps in Mexico, they get frustrated and decide to cross the border without authorization. They then end up in the apprehension statistics.

When they cross the border, unlike Mexican workers, they are not looking to escape the immigration authorities. They are looking to turn themselves in and claim what is called defensive asylum to prevent their deportation. So, that is why the apprehension statistics grew so much in that short period of time. The United States was no longer processing asylum claims, and the number of people in the detention system rose to record levels.

Now, the problem is that they are in an immigration detention system that was built to process Mexican workers very quickly. The detention system—which is two-thirds privately owned and run—was built to quickly process an apprehended Mexican worker, typically a male, who did not want to stay in custody. He wanted to return back to Mexico as soon as possible so he could try to get into the United States again. He would sign a voluntary departure order, and would be repatriated back to Mexico, probably within a day or two.

These facilities were never built to hold people over long periods of time. They were never built to hold families, women, and children. The system is overwhelmed because these people were not taken in to have their claims for asylum adjudicated through the affirmative asylum system. They end up crossing the border without authorization and end up in the detention system.

Now, the choice of what we do with asylum seekers is a political one. We have a lot of experience bringing in refugees in large numbers, processing them, and getting them integrated in the United States. Between 1978 and 1998 we took in 1.3 million refugees from Southeast Asia. When we intervened in Vietnam, that did not go so well. South Vietnam collapsed and people fled. At that point we took some responsibility by taking in these people who put their trust in us. We brought them into the country and

processed them. If you look at the data now, the second- and third-generation people from Indochina are doing quite well in the United States.

We have made a political decision, and that is what is going on at the Mexico-U.S. border. What was a large flow of undocumented Mexican workers, has been replaced by a much smaller flow of refugees and asylum seekers from Central America. Instead of male workers coming for jobs, they are families and children coming for refuge, and their pleas for refuge are not being met under U.S. law. They then end up in the detention system, which overtaxes it and creates these terrible scenes on the border. So, I will stop there, and let the discussion begin.

**VARGAS-RAMOS:** Thank you very much, Dr. Massey. I would like to call on Dr. Hubbard and Dr. Hunt to join us for the conversation. There are certainly a couple of questions that have not been answered yet, but I want to begin with a comment. We have had three presentations—two of them from a more economic perspective and one from a more sociopolitical perspective. The economic perspective gives us the impression that immigration is good at all levels of the social and the economic hierarchy, with perhaps the exception of individual workers who are high school dropouts. At the same time, the information presented by Dr. Massey shows us that the purported crisis at the border is not necessarily a crisis, but perhaps the status quo over the past 20–30 years, with the exception of the asylum crisis. Why then do we have this perception of a crisis of immigration that has driven politics in the United States over the past 40 years?

**MASSEY:** Well, sociologically there is evidence on that. It basically stems from 1965, when a legal flow of Mexicans coming into the country for temporary work on permanent resident visas, was transformed into a circulating inflow of undocumented workers—who, since they were illegal migrants, by definition were criminals and lawbreakers. That really enabled political entrepreneurs to frame immigration as an alien invasion that was harmful to the United States.

That emphasis has increased over time and become more prominent in the American media. It reached a crest during the Trump administration, and of course he launched his campaign with a bold statement that Mexicans, and other immigrants from

Latin America, are criminals and rapists. Of course, the data is showing that immigrants commit crimes at much lower rates than natives, and that they are not a major source of crime in the United States. On the U.S. side of the border, communities like El Paso, Texas have some of the lowest crime rates in the country. The criminality of immigrants is way overblown. It is not accurate and contributes to a mis-focused dialogue.

**HUBBARD:** I would like to add that politically, I think we have made this a hot button issue on both sides to bring out the base for elections. I see that as one of the reasons why at NAE we talk about the economic perspective. When we talk with leaders at the local level, they want to have a solution to this. They want to be welcoming to immigrants. For instance, Iowa has welcoming centers for immigrants. We want to have them because they are workers that the state needs. In Utah we have seen this, too. I think it is an issue for the political base, but at the local level, leaders are saying that immigration is important for their economic development and economic growth.

**HUNT:** I will just add an international perspective. I have been following the economics and political science literature of people's attitudes towards immigrants, and one thing that seems to be the case is that native-born people seem to be more accepting of high-skilled immigration. This is not only in the United States. These are international studies. That seems to be one reason why immigrants to Canada are so well-accepted.

The other reason, though less well-shown, is that the native-born like to have a feeling of control, and asylum seekers seem uncontrolled. This is also true in Germany when many asylum seekers came from Syria. Other higher immigration to Germany does not seem to cause that much resentment, but people who seem out of control are unpopular. So, when natives see images of poor-looking and seemingly out-of-control people at the U.S. border, they will be unpopular.

**VARGAS-RAMOS:** You make the point of all the advantages that immigration provides, not just to the country, but specifically to the native-born—with perhaps the exception of the native-born worker who

may be not as educated as others. But the first audience question asks: It appears that the majority of the extraordinary number of undocumented people in the United States arrived as unskilled laborers. Given our long-term problem in the United States of flat wages since the 1970s or 1980s, and associated low percentages of labor force participation in many areas, are we not aggravating an existing bad situation by allowing the number of immigrants who are unskilled to increase?

**HUNT:** There is no influence of immigration on average wages, so it is not to blame for what is happening to average wages. But we agree that it is, to some degree, a reason why the high school dropout wages have not been doing well. Though, we disagree about exactly how much.

**MASSEY:** I would just add that the people most affected by competition from immigrants are earlier-arrived immigrants.

**HUBBARD:** I appreciated Dr. Hunt's presentation on that. It is really important to speak about how it does not impact wages. We often find that immigrants fill those positions that are hard to fill. Take a look at farm workers, for example. We have areas of the country that are in need of farm workers. Our national system is broken as far as immigration because we have not really updated the laws and the policies.

**VARGAS-RAMOS:** Could the fact that wages at the lower-end have not increased, or may have actually regressed, over the past three or four decades be more the result of many of those occupations not being subject to the federal minimum wage? I am talking about agricultural work, service occupations such as caretakers for children, and housekeepers, for example.

**HUNT:** There has been a decline in the real wage over the very long run, and that has a significant effect of reducing wages at the bottom. That is not exactly the question you were asking, but over the long run it has also covered more and more people. I do not think that people think of non-coverage as being the big issue now. Most of the decline happened between the 1960s and the end of the 1980s. In more

recent times, I think the non-increase in the minimum wage has been an issue, but not the decline in the minimum wage.

**MASSEY:** Domestic workers and farm workers were deliberately excluded from most of the social and labor legislation in the New Deal. The Southern delegation to Congress did not want these two job categories covered because they were mostly black at that point. It was during Johnson's administration that they were brought into the system. The minimum wage itself began to decline, or not keep up with inflation, after the 1960s. If you look at the U.S. economy, it is a multi-trillion-dollar economy, and immigration is not a very big effect. Blaming immigrants is like picking on the weakest kid on the block. The big effects are technological change and trade. Those are the big elephants in the room, and those are subject to political decisions about taxation, transfers, and trade. It has very little to do with immigration in the end.

**VARGAS-RAMOS:** Dr. Hubbard initially presented the contrast between the left wing and the right wing in the immigration debate. But somewhere in the center remain some sectors of the economy, agriculture and other sectors, that seem not to have taken a public position on the immigration issue. It is evident that in Congress, at the federal level, we are deadlocked on immigration. What might it take to bring in these very interested parties to the political table to start advocating for positions that are in their self-interest and that might move the immigration debate forward?

**HUBBARD:** I am not the best at policy. I work with the data more so than I work with the policy aspect. But I will say that I do think federal policy needs more voices from our local leaders to share what is happening on the local level. We do need, of course, citizens. We try to promote citizens to go out and be knowledgeable. That is why we talk about websites like [MapTheImpact.org](http://MapTheImpact.org), so people are informed about what is really happening—and not so much about what they hear in news debates or political rhetoric, which is often confusing.

I keep coming back to the local level. It would be great to hear more from mayors, and even governors, about what is happening in the states. When you talk

to them, I think you hear about the need for workers, especially in those “red” states, where maybe there is an aging population and there is decline in the workforce. Not always, but for some they need to have those workers to bring in more economic growth.

**MASSEY:** The problem is really political. Immigration did not used to be a partisan issue. It used to cross the partisan lines. You had a Republican Party that had the businesspeople, the chamber of commerce types, entrepreneurial types, corporate types, and they had a big role in the party. They were pro-immigration. On the left, you had labor unions that were anti-immigration. They saw immigration as a threat. That has all been erased, and it is a completely different configuration now. The Republican Party has officially become the party of white nationalism—a xenophobic and nativist party. That mobilizes a base, but it is a base with a very narrow demographic. The people that used to be on the Republican side of the aisle have been frozen out of the Republican Party at this point, and they have no voice in the current Republican Party. They are beginning to form partnerships with people in the Democratic Party, and there is talk of a new Republican Party or a new third party. But what has really changed is the character of the Republican Party.

**VARGAS-RAMOS:** That is an interesting point because we have had two types of presentations here. The economic benefits of immigration on the whole are positive, certainly for the United States, and perhaps for other advanced economies like the United States. Then you have the sociopolitical presentation you made, Dr. Massey. But up until now, we really have not discussed the character of the country we want to have and how it has been affected by immigration. Certainly, in the United States we are reacting to that. We are reacting to the type of immigrant that is coming in. This is going to be another political question: What kind of a country do we want? I think that the immigration debate revolves around that as well.

**HUBBARD:** Your question reminds me, in addition to providing data about the economic aspect, we do try to talk about how immigrants culturally impact our country. Think about food and restaurants. Right before the pandemic, we started New American



Festivals in different cities across the country to highlight those cultural aspects that immigrants bring within the community—immigrant-owned businesses, immigrant food, cultural awareness, music. All different types of things that really show America as a very diverse place, and where it started from. We are bringing together all these different types of cultures, types of food, and types of stories. I think one of the ways to break this deadlock is maybe by making people more aware of those influences that people bring, and how exciting it makes it to be an American.

**MASSEY:** Well, the public opinion polls tell you what Americans want, and they are very pro-immigration. Huge majorities support a pathway to legal status. Eighty percent and above support legalizing immediately the so-called DREAMers. Steven presented data that showed the trend towards favorable views on immigration. It is really a minority that is dead set against it. That minority is the base for another political party, which sees its interest not in expanding democratic franchise but restricting it.

**VARGAS-RAMOS:** It is interesting that from the perspective of the left, a pathway to citizenship is one of the biggest goals to achieve. But for Latin American immigrants, and specifically the Mexican immigrants, it is not so much citizenship, but permanent status that seems to be the goal. This goes back to the point you were making about the effect of the Bracero Program and other temporal employment programs in the United States. Some people may resist making citizens out of the foreign-born in numbers that they may be afraid of. Would other policy options, such as providing workers for the critical jobs that are needed in this economy, allow for a more fluid transit across the border?

**MASSEY:** In fact, temporary worker migration from Mexico is way up. The number of temporary worker visas has been quietly expanded by Congress. In the past couple of years, there have been around 900,000 entries per year from Mexico of temporary workers holding temporary work visas. The most common is the H-2A visa for agricultural workers, which has grown the fastest, but that is by no means the only temporary visa. NAFTA itself created a

temporary visa called the TN visa that gets about 50,000 people a year. Unlike other visas, it does not have a time expiration. It can be renewed indefinitely.

So, there has been quite a large expansion of guest worker migration into the United States over the past two decades. That has made up for the shortfall in undocumented migrant workers who were really the backbone of the agricultural workforce, but are no longer coming from Mexico. The ones who are on the north side of the border have been here for a long time, and they are no longer working in agriculture. The gap is being made up by temporary workers.

**HUNT:** The H-2A visa was never capped. It is an interesting question of why there has been a switch from undocumented to H-2A.

**MASSEY:** It was never capped, but it is a three-year renewable visa. It does not have a numerical cap, but it is authorized by Congress and the administration through negotiations every year, and they have been quietly increasing it. There was no pressure to increase it while there was an ample supply of undocumented workers. Once the supply of undocumented workers got tight, then political pressures were brought to bear, and the number of visas has been steadily expanding. As you point out, there is no numerical limit to the H-2A visas, although they do have three-year time horizons per person. The H-1A and H-1B visas are capped numerically.

**VARGAS-RAMOS:** There is a question on how many asylum seekers might be held currently at ICE detention centers. Are there any statistics?

**MASSEY:** Over the course of 2019, there were about 800,000 people processed through the system. We do not know how many there are at any point in time. And that is an approximate figure because, as I said, two-thirds of the detention facilities are private and they do not provide data to the public very readily. But we know it is a large number and it has grown quite rapidly.

**VARGAS-RAMOS:** Two more questions, both of which pivot the focus to the countries of origin. One refers to the brain drain. What effect would a brain

drain have on the countries of origin, or on the economies of the sending countries, and on furthering immigration from those countries?

**HUNT:** This used to be viewed as a bad thing for the origin countries, but the debate now is more nuanced. I do not think you can come to a firm conclusion, but the debate now is, firstly, the people who leave the origin country may go back later and bring their skills back. Secondly, they do send remittances, which often go toward educating children in the origin country. Thirdly, and talked about with the Philippines especially, the ability to immigrate creates an incentive to get more education, and then not all of those people actually emigrate. But I did see a study from Bangladesh that suggested that the extra education people got was not useful in Bangladesh.

**MASSEY:** The biggest effect is the remittance streams that are generated. You have to ask what a high school graduate or even somebody with some college education is going to do in their home country. Maybe they cannot get a job because the economies are not open enough and flexible enough to take in too many high skilled workers. So they go abroad to work, and they generate remittances. The remittances offset what they would have earned and paid in taxes had they stayed. Some countries are very dependent on remittance streams for their foreign exchange. El Salvador is basically floating on a stream of remittances. In many ways, international migration is the biggest development aid we provide to people because it generates such huge remittance streams that put direct foreign investment to shame in some countries.

**VARGAS-RAMOS:** The last question we have to consider is about the recent trip by Vice President Harris to Central America, and the message of “do not come.” The administration is proposing bolstering the legal system in Central America and the crime fighting strategies. How likely are these policies to succeed and ultimately stem the flow of immigrants from those countries?

**MASSEY:** In the short-term, they are not going to have that much of an effect, and all the action will be on how we process people at the border who are coming for assistance. Once they are here, if they are

brought in legally, then they can generate remittances to help solve some of the economic bottlenecks in their home countries. A big problem in Central America, particularly a place like Honduras, is public corruption. A lot of the development dollars go into the country, and they do not go very far down the scale. I thought that Kamala Harris was very brave in criticizing the president for having a corrupt regime, and I think it is good for the optics that she is there. She is the daughter of immigrants from Jamaica and from India, and so having a second-generation immigrant coming down and talking about immigration I think is good. The “do not come” message, I think, will ring hollow to a lot of people because they are facing existential problems. They are going to do what they have to do to survive. But the public corruption that pervades Honduras, El Salvador, and Guatemala—the inequities that have been there for a long time and that have been supported by the United States—that is a longer-term project. But it needs to start somewhere.

**VARGAS-RAMOS:** Thank you very much Dr. Massey, Dr. Hunt, and Dr. Hubbard for your terrific presentations and a wonderful conversation afterwards.

# IMMIGRATION: MYTHS, REALITIES, AND THE FUTURE

June 17, 2021

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