

## Immigration's Role in Building a Strong American Economy

*"We define ourselves as a nation of immigrants. That's who we are -- in our bones. The promise we see in those who come here from every corner of the globe, that's always been one of our greatest strengths. It keeps our workforce young. It keeps our country on the cutting edge. And it's helped build the greatest economic engine the world has ever known."*

- President Barack Obama, January 29<sup>th</sup>, 2013

America's immigration system is broken. Too many employers game the system by hiring undocumented workers and there are 11 million people living in the shadows. Neither is good for the economy or the country.

It is time to fix our broken immigration system. The President's plan requires responsibility from everyone—both from the workers here illegally and those who hire them—and guarantees that everyone is playing by the same rules.

Together we can build a fair, effective and commonsense immigration system that strengthens our economy and the middle class. Below are some of the economic benefits of fixing our broken immigration system:

|                                              |
|----------------------------------------------|
| <b>GROWING THE ECONOMY AND CREATING JOBS</b> |
|----------------------------------------------|

The President's plan will bring millions of undocumented individuals out of the shadow economy and provide U.S. businesses with a stronger, legal workforce that is required to compete in the 21st century global economy. The President's plan also creates a "Startup Visa" for immigrant entrepreneurs and cuts red tape for employers by eliminating the backlog for employment-sponsored green cards.

- **Fixing our broken immigration system would increase America's GDP.** In 2006, the nonpartisan [Congressional Budget Office](#) found that immigration reform would increase GDP by between 0.8 percent and 1.3 percent from 2012 to 2016.
- **Immigrants start small businesses.** According to the [Partnership for a New American Economy](#), immigrants are more than twice as likely to start a business in the United States as non-immigrants, and in 2011, immigrants started 28 percent of all new business while only accounting for 13 percent of the U.S. population.
- **Immigrant-owned businesses create jobs for American workers.** According to the [Fiscal Policy Institute](#), small businesses owned by immigrants employed an estimated 4.7 million people in 2007, and these small businesses generated more than \$776 billion in revenue annually.

- **More than 40 percent of Fortune 500 companies were founded by immigrants or a child of immigrants.** According to the [Partnership for a New American Economy](#) these companies employ more than 10 million people worldwide and generate annual revenue of \$4.2 trillion.
- **Immigrants boost demand for local consumer goods.** According to the 2010 American Community Survey, immigrants earned a total of \$1.1 trillion, and the [Immigration Policy Center](#) estimates that the purchasing power of Latinos and Asians, many of whom are immigrants, alone will reach \$1.5 trillion and \$775 billion, respectively, by 2015.
- **Immigrants contribute to their communities and fill critical job needs:** According to a study by the [Brookings Institute and the Partnership for a New American Economy](#), while immigrants represent 16 percent of the workforce, foreign-born workers account for over 20 percent of workers in agriculture, construction, food services, and information technology. They are agricultural laborers, domestic workers, and cabdrivers, as well as health care workers, computer software engineers and medical scientists.
  - Immigrants make up a growing and crucial part of America's workforce: According to the Census Bureau, immigrants are more likely to be working-age; 60 percent of the foreign-born population is 25-54 years old compared to 38 percent of the U.S. born population. [Pew Research](#) estimates that given current immigration trends and birth rates, virtually all of the growth of the nation's working-age population between now and 2050 will be accounted for by immigrants and their U.S.-born children.

#### SPURRING AMERICAN INNOVATION

The President's plan will attract and retain the best and brightest students from around the world to help ensure the next great breakthroughs in technology and medicine are developed right here in the United States.

- **Immigrants innovate as scientists and engineers.** According to the National Survey of College Graduates, immigrants represent slightly under 14 percent of the resident working population holding a bachelor's degree or higher, but among this group they represent 29 percent of scientists. They also represent 50 percent of PhDs working in math and computer science occupations and 57 percent of PhDs working in engineering occupations.

| Foreign-Born Representation of College Graduates by Degree and Occupation in the United States as of 2010 (Percent) |      |            |         |           |
|---------------------------------------------------------------------------------------------------------------------|------|------------|---------|-----------|
| College Graduates                                                                                                   |      |            |         |           |
| Highest Degree Attained                                                                                             |      |            |         |           |
| Occupation                                                                                                          | All  | Bachelor's | Masters | Doctorate |
| Total                                                                                                               | 13.6 | 11.8       | 15.3    | 32.2      |
| All Sciences                                                                                                        | 28.6 | 20.3       | 38.1    | 44.2      |

|                                                                                                                                                                                                                             |      |      |      |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|
| <b>Math or Computer Sciences</b>                                                                                                                                                                                            | 29.2 | 21.8 | 42.4 | 50.0 |
| <b>Life &amp; Related Sciences</b>                                                                                                                                                                                          | 28.8 | 14.5 | 27.3 | 44.2 |
| <b>Physical &amp; Related Sciences</b>                                                                                                                                                                                      | 23.9 | 12.2 | 21.3 | 38.8 |
| <b>Engineering</b>                                                                                                                                                                                                          | 24.1 | 16.2 | 33.3 | 57.3 |
| <small>Note: Occupation refers to an individual's principal employment. Sample limited to employed individuals.<br/>Source: National Science Foundation and National Center for Science and Engineering Statistics.</small> |      |      |      |      |

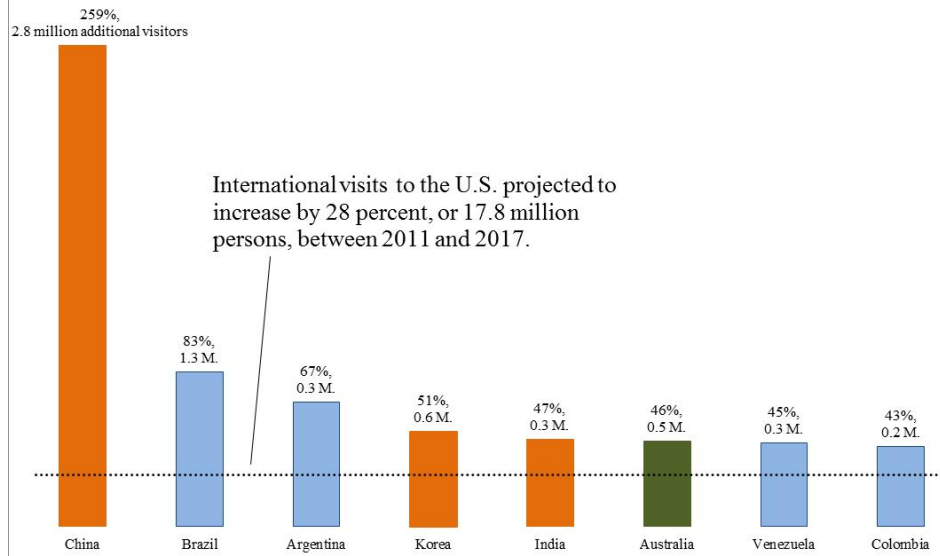
- **Immigrants develop cutting-edge technologies and companies.** According to a paper from the [National Bureau of Economic Research](#), immigration was responsible for one third of the explosive growth in patenting per capita in the 1990s, and these innovations contributed to increasing U.S GDP by 2.4 percent. According to the [National Venture Capital Association](#), immigrants have started 25 percent of public U.S. companies that were backed by venture capital investors. This list includes Google, eBay, Yahoo!, Sun Microsystems, and Intel.
- **Immigrant scientist and engineers positively impact wages.** According to a study at the University of California – Davis, a 1 percent increase in the share of foreign scientist and engineers in the U.S. workforce would increase the wages of native college-educated workers by 4 to 6 percent, and have no significant effect on the wages and employment of native non-college-educated workers.

#### INCREASING U.S. TRADE AND EXPORTS

The President's plan boosts our exports to help ensure America continues to make things, like cars and trucks, that the rest of the world buys by improving infrastructure and staffing at ports of entry in order to facilitate more efficient and secure trade. The President's plan also reforms the tourist visa process by strengthening international law enforcement cooperation and facilitating more efficient travel.

- **Fixing our broken immigration system is critical to bilateral trade and U.S. exports.** Investments to strengthen the border and facilitate more efficient trade with both Mexico and Canada will strengthen the U.S. economy. [Canada and Mexico are our first and third trading partners in the world](#), respectively, together accounting for nearly one-third of U.S. exports in 2012 and more than \$3 billion two-way trade per day in 2012.
- **Fixing our broken immigration system will help increase international travel and tourism to America.** Travel and tourism represent the largest service-export industry in the U.S., setting a record \$168.1 billion in exports in 2012 and supporting 7.7 million jobs in the third quarter 2012. The economic impact and importance of travel and tourism will continue to grow in the coming years as emerging economies around the world experience an increase in their vacationing middle classes. China, Brazil, and India alone represent approximately 40 percent of the world's population and by 2017 the number of travelers from those countries is expected to increase by 259 percent, 83 percent, and 47 percent respectively.

### Forecast of International Travelers to the United States Ranked by Fastest 2011-17 Growth



Source: U.S. Department of Commerce, International Trade Administration.