

Remarks on the Economic Benefits of Commonsense Immigration Reform

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I want to discuss the economic benefits of immigration with you this morning. Let me make the theme of my remarks clear at the outset: commonsense immigration reform -- that brings undocumented workers out of the shadows and provides a path to earned citizenship, that keeps families together, that provides green cards to math and science graduates, and that secures our borders and makes it easier for employers to verify job applicants' immigration status -- would be good for the economy and good for the country.

No country does a better job integrating and benefiting from immigrants than the U.S. Immigration rejuvenates our workforce and entrepreneurs. It keeps our country on the technological frontier. And it has helped us build the greatest economic engine the world has ever seen. President Obama has said it best: Our Nation's strength is "our youth and our dynamism, and our history for attracting talent from all around the globe."

Yet, as an economist, I can tell you there is a global competition taking place for immigrants, and the U.S. has been competing with one arm tied behind our back.

To regain our edge in this competition, the President is calling for an immigration system that is more smart, more efficient, and more fair. Immigration reform is also central to our goal of promoting innovation and entrepreneurship. The President understands that immigration reform is an economic imperative that impacts communities and families in very tangible ways.

Commonsense immigration reform that brings undocumented immigrants out of the shadows will *level the playing field* for American workers and businesses that are playing by the rules, and boost our economy.

There are over 11 million undocumented immigrants living in the U.S., many of whom have lived and worked here for years. Bringing these men and women out of the shadows and providing a path to earned citizenship will allow them to obtain above-ground jobs, advance in their careers, and contribute more fully to our economy, without fear of deportation. Moreover, with a path to earned citizenship, immigrant workers and their employers will be motivated to invest more in their skills, raising the benefit to the economy even further. Providing an earned path to legal status for this population will also benefit other workers as they will no longer have

to compete with undocumented workers who are often paid below-market wages because of their legal status.

We also need to make legal immigration easier for families, workers, and businesses.

Commonsense immigration reform will harness the creativity and the energy of immigrants who want to start a business in America and strengthen our economy in the process. This includes immigrants who come to our country as family members of U.S. citizens or permanent residents, or as refugees fleeing persecution, or as students attending our colleges and universities. As many of your own stories can attest, despite the obstacles, immigrants start businesses at a higher rate than native born citizens. Fully 40 percent of Fortune 500 companies were founded by immigrants and their children. One in four new small business owners is an immigrant.

As President Obama has said, we should reform our system to help foreign entrepreneurs who want to start a business to set up shop in the U.S.

Fixing our broken immigration system would raise economic growth and speed job creation. Immigrants add to the labor force and increase the productive capacity of the economy. Population growth in the U.S. is projected to slow dramatically in coming decades. The only group of Americans that will grow more quickly are those age 65 and older. Over the next three decades, annual population growth for the working-age population will be less than a *third* of what it was over the last 60 years. Given current trends, nearly all of the growth of the nation's working-age population in the next 40 years will be accounted for by immigrants and their children.

Commonsense immigration reform would mean more entrepreneurs and more jobs. More businesses employing more workers. And more customers for those businesses.

Immigrant workers can also enhance the productivity and incomes of American workers. Right now, there are brilliant students from all over the world doing great work at our universities and colleges. They're earning degrees in the fields the economy demands most, like engineering and computer science. But once they finish school, once they earn their degree, there's a good chance they'll have to leave our country. I know this first hand; I've seen it happen to some of my students at Princeton. It makes no sense to send talented immigrants home where they will start up businesses and compete with us when we can keep them here and have them create jobs and new opportunities in America.

Immigrants make up 14 percent of all employed college graduates, but account for over half of all PhDs working in math, computer science, and engineering occupations. President Obama's plan for commonsense reform would propose giving these STEM Ph.D. and Masters students who want to work in the U.S. and have found employment the opportunity to stay and keep their talents here.

And we can encourage more of these and other immigrants to come here if we allow them to bring their families. Our country needs them. And they need their families. Commonsense immigration reform would keep immigrant families together, allowing them to be united in a timely and humane manner.

Throughout our history, immigrants have made essential scientific discoveries and built some of our most important and successful companies.

This tradition continues today. Immigrants helped start businesses like Google, Yahoo, Intel and Ebay. Qualcomm was started with the help of an immigrant who studied here and then stayed here. Immigrants have created entire new industries that, in turn, created new jobs and opportunities for our citizens. One in four high-tech startups in America was founded by immigrants.

Let me conclude by underscoring that America has historically been a magnet for the world's best, brightest and most ambitious people. Capable and hard-working immigrants come to the U.S. to seek opportunities and a better life for themselves and their families. That's why my grandparents came to Ellis Island at the turn of the last century, and why millions of others have come here since. And, in turn, they helped build the greatest country with the strongest economy the world has ever seen. President Obama is committed to fixing our broken immigration system to make this vision of America a reality for generations to come.

With slowing population growth and an aging workforce, America needs commonsense immigration reform to revitalize our economy and our country. Right now, we are competing in the global market place for immigrant workers, scientists and entrepreneurs with one arm tied behind our backs. Commonsense immigration reform would help businesses legally hire the employees they need, provide a path to earned citizenship for undocumented immigrants, and help American businesses attract the best workers by streamlining the legal immigration system for workers and their families. In sum, building a fair, effective, and commonsense immigration system will strengthen our economy and strengthen our country.

Thank you very much.