

Effects of Illegal Immigration on the U.S. Economy

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Illegal immigration to the United States has always been a subject of heated discussions, especially among politicians. Specifically, George W. Bush once stated that illegal immigrants usually fill the positions that Americans reject, which only benefits the economy (Lynch & Woodyard, 2006). The number of illegal immigrants, mostly arriving from Mexico, peaked in 2007, which prompted the then-president to call for endorsement of the guest worker program that would allow to issue temporary work permits to foreign citizens without them having a future opportunity to apply for permanent residency (Passel & Cohn, 2010; Lynch & Woodyard, 2006).

Economists, on their part, have stated that undocumented workers benefit the economy more than harming it. For instance, social security and income taxes are deducted from illegal employees' wages, as indicated by Lynch and Woodyard (2006). The authors also state that illegal immigrants are forced to pay all applicable property and sales taxes. On the other hand, illegal immigrants use public services such as free education and medical care, which puts additional burden on the government budget. Nevertheless, despite there being explicit indicators of certain harm to the U.S. economy, illegal immigration and its resulting effects can be put to good use for the benefit of the entire nation.

Adverse Effects of Illegal Immigration on the U.S. Economy

Notwithstanding evident positive impacts of illegal immigration, there are specific arguments to the contrary that must be considered. The most popular claims refer to the illegal

immigrants' low wages, which attracts employers, and the money failing to stay within the U.S. economy.

With their reduced wages, the undocumented immigrants take jobs meant for the unskilled American workers and thus are viewed as jeopardizing the employment rate in the country. This is perhaps the biggest legitimate objection to the illegal immigration, with studies suggesting that such illegal workers have overcrowded the low wage jobs accounting for more than half of the 11 percentage-point drop in wages for unskilled Americans in high-school dropouts over the past few decades (Davidson, 2013). Many experts believe that the issue is significant enough and thus worth revisiting as the unskilled legal American citizens are disadvantaged from the below average wages paid to the illegal immigrants (Borjas, 1986). However, the economists on their part disagree on the point of deporting such undocumented immigrants as the U.S. citizens are not likely to fill all their job positions. According to the American Action Forum's analysis, even if the undocumented workers were driven away and all their jobs taken up by the U.S. workers, there would still be more than 4 million jobs unfilled (Vadell & Zaldivar, 2012).

Revenues from the undocumented workers do not circulate directly to the U.S. economy as most of the undocumented workers' wages find their way back to their countries of origin. According to research, most of the undocumented workers usually work to support their families back at home (Davidson, 2013). Despite the undocumented workers willing to work for lower minimum wages, the little they earn is not going back to the U.S. economy but their motherland instead. There has also been the belief that some of the undocumented workers fail to pay taxes but continue to enjoy public facilities that are funded by the American citizens in form of taxes,

including public hospitals and schools (Vadell & Zaldivar, 2012). However, while paying an individual with stametes and antiquity in the community, not only will their tax dollars go to the U.S. government and be circulated in the economy via public assistance programs or government contracts, but their earnings will go toward local businesses helping them thrive as well (Vadell & Zaldivar, 2012). Such is believed to be the basis of a prosperous economy.

Positive Effects of Illegal Immigration on the U.S. Economy

Economists believe that getting rid of all illegal immigrants would most likely cost the U.S. economy losses of about 1 trillion in U.S. dollars (Lyubansky, 2014). Some of the arguments as to why immigrants do not hurt but indeed benefit the U.S. economy include the fact that their wages are taxed for the benefit of the U.S. treasury and the positive side of cheap labor they offer.

Through the taxes they pay, the illegal immigrants contribute to up to 12 billion dollars annually in local and state taxes alone, thus benefiting the economy directly (Davidson, 2013). The income and social security taxes are deducted from their wages, which is a significant contribution to the annual tax receipts and further support for retired Americans (Lynch & Woodyard, 2006). For just a decade, this would add up to about 740 dollars extra for every American (Davidson, 2013). A number of the undocumented immigrants pay taxes despite them not being eligible for social security benefits upon retirement. Therefore, deporting all illegal workers could exacerbate the already disastrous retirement benefits.

Illegal immigrants offer cheap labor and available workforce to the U.S. agricultural, construction and industrial sectors that are major determinants of the U.S. economic growth. As

a way of competing for jobs with Americans, the undocumented workers usually offer their labor services below the minimum average wage limit. According to Borjas (1986), illegal immigration does not exist in a vacuum. Most of the companies that tend to evade paying taxes on workers' wages prefer the illegal immigrants as the workforce. Other companies evading paying minimum wage with the hopes of avoiding the American labor laws will hire such workforce in an attempt to cut costs and get an advantage over competitors (Lyubansky, 2014). Those that stand to benefit most from the illegal immigrants are construction, agricultural and leisure industries, which offer a significant contribution to the U.S. economy (Davidson, 2013). The illegal immigrants are also helpful to the U.S. economy in that they fill those positions that no American would be willing to take as their lifestyle might not allow them to. Some of the jobs from the agricultural, construction and industrial sectors are too boring or low-paid that not many American citizens would be willing to do them (Lyubansky, 2014). As such, the only option would be the illegal immigrants who would do anything to get that substantial wage they seek in the country.

Conclusion

The issue of illegal immigration to the U.S. has been debated for decades, and multiple solutions have been proposed through the years - from issuing temporary work permits to deporting all undocumented immigrants. The arguments against illegal immigration include fighting for workplaces for Americans and saving government money for health care and education. The main points of view supporting the benefit of illegal immigration are related to cheap labor offered by undocumented workforce and tax revenues. An analysis of the main negative and positive effects of illegal immigration proves that its advantages to the economy

outweigh any adverse impacts, however drastic and inconvenient. In order to retain undocumented employees and keep their salaries within the country, it is prudent that the government develops and introduces a mutually beneficial program for foreigners offering cheap, low-skilled, or seasonal labor.

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