
THE ECONOMICS OF IMMIGRATION AND THE 2024 PRESIDENTIAL ELECTION

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ECONOMICS OF IMMIGRATION

- People seek out locations where they can maximize their overall wellbeing
 - In economics, we say that people choose a location to maximize their utility
 - Taking into account the costs of migrating, including costs of leaving family and friends behind
 - People might come to the United States because they believe they can access better wages, better opportunities, or physical safety, among other reasons
 - Economic conditions in the United States and sending communities affect the decision to migrate

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ECONOMICS OF IMMIGRATION

- “New Economics of Labor Migration”: Immigration decisions are made not by individuals, but by households to maximize the wellbeing of the entire household
 - Diversify income portfolio and spread risk
 - Remittances sent home to invest in family businesses, children’s education, ageing parents’ health, etc.
- Networks
 - Roughly 45% of the population in LA county are foreign-born (3.5 million people)
 - (Los Angeles Almanac, 2012-2017 5-year estimate)
 - LA county is home to over 1.3 million Mexican-born individuals (more like 3 million in the greater LA metro area)
 - LA the second largest “Mexican city” in the world, and 2nd largest “Guatemalan City”, “Samoan City”, and “Armenian City”

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HOW DOES IMMIGRATION AFFECT THE MIGRANT-RECEIVING COMMUNITY?

- It depends
- And it is very difficult to test empirically
- People might migrate to a city in response to economic opportunities and trends in that city, so we cannot simply compare outcomes across cities
- We need an experiment, a shock to the immigrant labor supply

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THE MARIEL BOATLIFT

- April 20, 1980, Fidel Castro declared that Cuban nationals could freely leave from the port of Mariel if they wished to go to the United States
- About 125,000 Cubans left from Mariel before Cuba and the United States reached an agreement
- Labor supply shock that increased the Miami workforce by 8.4%
 - About 60% of the adult refugees did not have a high school diploma
 - Only 7.4% had a high school degree
 - (Borjas, 2017)

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EFFECTS OF THE MARIEL BOATLIFT ON THE LABOR MARKET

- Card (1990) compared Miami labor market before and after the boatlift to labor markets of similar cities and concluded that the labor supply shock had little to no effect on wages
- However, Borjas (2017) found that wages of workers in Miami who lacked a high school diploma fell relative to control cities
- Nevertheless, Peri and Yasenov (2019) show that these results are sensitive to the small sample size and not robust to minor variations in control methods and definition of working-age population
- And the debate continues (Borjas 2019; Clemens and Hunt 2019; Monras 2021...)

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MARIEL BOATLIFT AND JOB VACANCIES

- Anastasopoulos et al (2022) show that the number ads for job vacancies (key economic indicator combined with the unemployment rate for labor market tightness) declined from 1980-1984 relative to control.
 - The relative number of blue-collar vacancies in Miami declined by 6.7 percentage points by 1982,
 - The share of workers in the advertised job who lacked a high school diploma declined by 2.8 percentage points while the educational attainment of average occupation in ads increased by 0.2 years
- However, the effects disappeared by 1984! Relatively quick adjustment!

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UNAUTHORIZED IMMIGRANTS IN THE U.S. WORKFORCE

- The unauthorized population in the United States peaked at 12.2 million in 2007
- There was a long, sustained decrease from 2007-2019
- In 2022, the unauthorized population was 11.0 million, up from 10.5 million in 2021 (based on estimates from the American Community Survey)
 - Immigrants made up 14.3% of the U.S. population in 2022
 - Unauthorized immigrants made up 3.3% of the U.S. population and 4.8% of the U.S. workforce
- Encounters with migrants at U.S. borders were record highs during 2022-2023
- Number of applicants waiting for asylum claims increased by about 1 million by the end of 2023.

Source: Passel, Jeffrey S. and Krogstad, Jens Manuel. July 22, 2024. "What we know about unauthorized immigrants living in the U.S." Pew Research Center. <https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/>

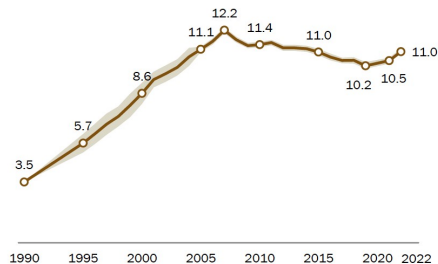
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TREND IN UNAUTHORIZED IMMIGRATION

- Source: Passel, Jeffrey S. and Krogstad, Jens Manuel. July 22, 2024. "What we know about unauthorized immigrants living in the U.S." Pew Research Center. <https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/>

The number of unauthorized immigrants in the U.S. grew from 2019 to 2022

Unauthorized immigrant population in the U.S., in millions



Note: Shading shows the range of the estimated 90% confidence interval. The data points labeled are 1990, 1995, 2000, 2005, 2007 (peak), 2010, 2015, 2019, 2021 and 2022. Source: Pew Research Center estimates based on augmented U.S. Census Bureau data.

PEW RESEARCH CENTER

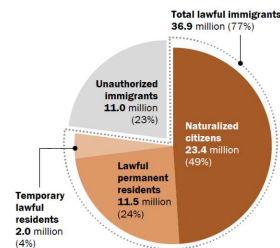
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THE FOREIGN-BORN POPULATION BY IMMIGRATION STATUS

- Source: Passel, Jeffrey S. and Krogstad, Jens Manuel. July 22, 2024. "What we know about unauthorized immigrants living in the U.S." Pew Research Center. <https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/>

Unauthorized immigrants were 23% of the U.S. foreign-born population in 2022

Foreign-born population estimates, 2022



Note: These figures differ from published U.S. Census Bureau totals because they are adjusted to account for population undercount. The unauthorized immigrant population includes those with temporary protection from deportation under Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS), as well as pending asylum claims. Source: Pew Research Center estimates based on augmented U.S. Census Bureau data (IPUMS).

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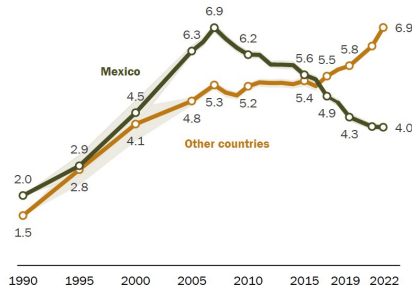
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UNAUTHORIZED IMMIGRATION FROM MEXICO IS STILL DECLINING

- Source: Passel, Jeffrey S. and Krogstad, Jens Manuel, July 22, 2024. "What we know about unauthorized immigrants living in the U.S." Pew Research Center. <https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/>

Mexicans have been a minority of unauthorized immigrants since 2017 but are by far the largest group

U.S. unauthorized immigrant population by country of birth, in millions



Note: Shading shows the range of the estimated 90% confidence interval. The data points marked are 1990, 1995, 2000, 2005, 2007, 2010, 2015, 2017 (crossover), 2019, 2021 and 2022.

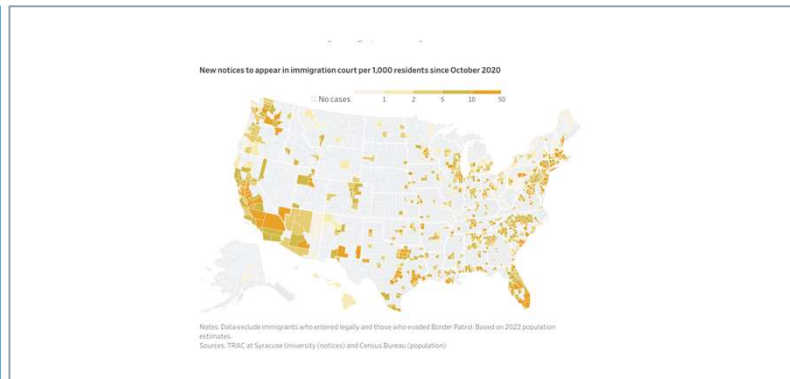
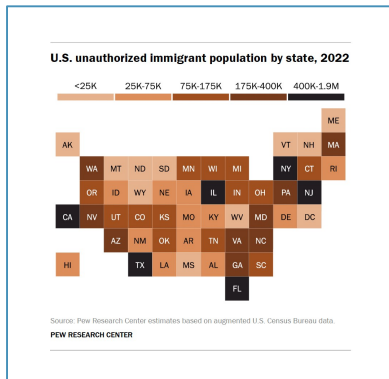
Source: Pew Research Center estimates based on augmented U.S. Census Bureau data.

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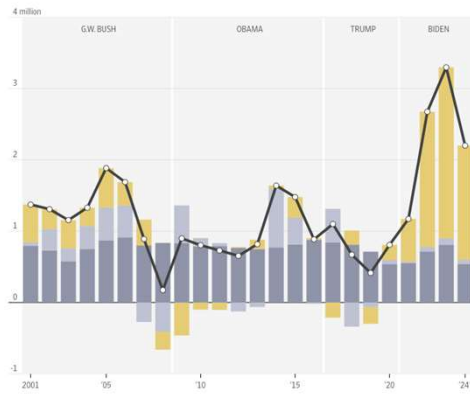
LEFT: U.S. UNAUTHORIZED IMMIGRANT POPULATION BY STATE
(FROM THE PEW RESEARCH CENTER, BASED ON ACS)

RIGHT: NEW NOTICES TO APPEAR IN IMMIGRATION COURT PER 1,000 RESIDENTS SINCE OCT 2020
(FROM THE WALL STREET JOURNAL, BASED ON TRAC AT SYRACUSE UNIVERSITY ON NOTICES AND CENSUS BUREAU (POPULATION))



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Net immigration to the U.S.



*Figures for 2024 are an estimate of flows from January through August, based on the CBO's projection.
Source: Congressional Budget Office

The colored bars show the components of net immigration, which the CBO categorizes into three main groups: lawful permanent residents, immigrants, and other foreign nationals.

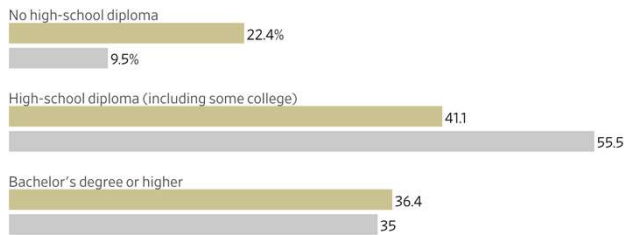
NET IMMIGRATION BY STATUS AND PRESIDENTIAL ADMINISTRATION

Source: Kiernan, Paul and Dougherty, Danny and Santilli, Peter. Sept. 4, 2024. "How Immigration Remade the U.S. Labor Force." *The Wall Street Journal*. https://www.wsj.com/economy/how-immigration-remade-the-u-s-labor-force-716c18ee?mod=hp_lead_pos7

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Share of adults by education

Recent immigrants U.S.-born adults



Note: Includes those immigrants who have arrived since 2020.
Source: Census Bureau

MOST OF THE RECENT IMMIGRANTS HAVE AT LEAST A HIGH SCHOOL DIPLOMA

OVER 1/3 HAVE A COLLEGE DEGREE

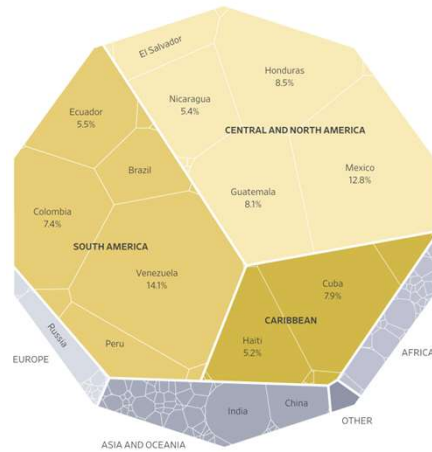
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IMMIGRANTS' ORIGIN AND OCCUPATIONS IN THE U.S.

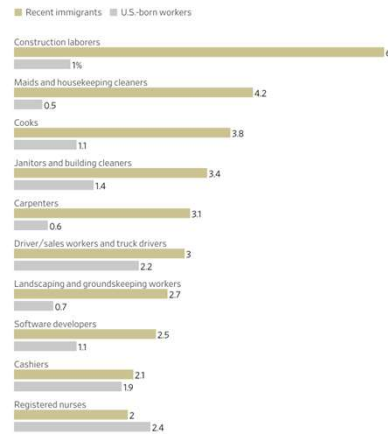
- Source: Kiernan, Paul and Dougherty, Danny and Santilli, Peter. Sept. 4, 2024. "How Immigration Remade the U.S. Labor Force." *The Wall Street Journal*. https://www.wsj.com/economy/how-immigration-remade-the-u-s-labor-force-716c18ee?mod=hp_lead_pos7

Share of all notices to appear in immigration court, 2021-24, by country/region of origin



Note: Based on the federal fiscal year, which runs October through September. "Other" includes unknown origin. Source: Transactional Records Access Clearinghouse (TRAC), at Syracuse University

Share of recent workers with select occupations



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AMNESTY

- Unauthorized immigration entails risks and inefficiencies
 - Risks to workers who fear deportation or cannot access services
 - Inefficient because unauthorized workers may not be able to access competitive jobs that are best fit for their skills
 - Hypothesized that regularization of the unauthorized workforce could improve labor market efficiency and employment and wages, not only for the unauthorized but also the authorized population
 - Amnesty program in France in 1981 increased employment rate of low-skilled French men in Paris by 5 percentage points and wage of low-skilled French men by 3-5 percentage points (Borjas and Edo, 2023)

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1986 IMMIGRATION REFORM AND CONTROL ACT (IRCA)

- The U.S. 1986 Immigration Reform IRCA
 - One of the largest amnesty programs in U.S. history,
 - but unauthorized immigration continued unabated in the years that followed (Orrenius and Zavodny, 2012)

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IRCA'S CONFLICTING POLICY MEASURES

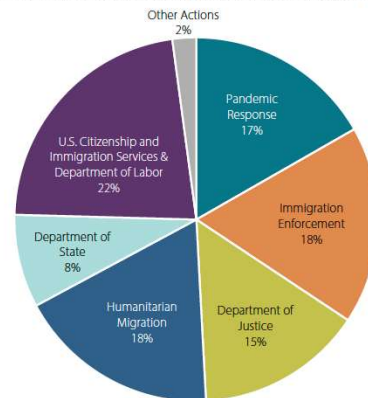
- Made it illegal to knowingly hire unauthorized workers
 - but workers rapidly learned to falsify documents
 - it deferred sanctions and search warrants for farm employers (concessionary policies for ag)
- Legalized immigrants who had continually resided in the United States since 1982 or had worked in agriculture at least 90 days from 1985-86
- Created guest worker programs
 - the H-2A which farmers could individually apply for and H-2B for the non-farm sector
 - And the Replenishment Agricultural Worker program to address national labor shortages
 - (RAW expired without being used because there were not nationwide farm labor shortages)

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THE TRUMP ADMINISTRATION

- Completed 472 executive actions affecting U.S. immigration policy (varied in impact)

Executive Actions on Immigration Taken during the Trump Presidency, by Category, 2017–21



Note: In this figure, "pandemic response" includes all pandemic-related actions, regardless of policy area. For other categories, actions that could be classified in multiple ways are counted in their primary policy area, so there is no double-counting.
Source: Author analysis of actions described in this report.

Source: Bolter, Jessica and Israel, Emma and Pierce, Sarah. 2022. "Four Years of Profound Change: Immigration Policy during the Trump Presidency." Migration Policy Institute, p. 2 Figure 1

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TRUMP ADMINISTRATION

- FY 2019 accounted for the highest number of migrant apprehensions at the southwest border since FY 2007
- Limited asylum at the border
- Pressured Mexico to increase its immigration enforcement
- Migrants were required to apply for asylum somewhere en route to the United States to be eligible to apply in the United States
- Migrant Protection Protocols (aka Remain in Mexico) required migrants to wait in Mexico for U.S. immigration court decisions

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TRUMP ADMINISTRATION

- Refugee admissions fell
 - 84,994 in FY2016
 - 22,560 in FY 2018
 - 11,814 in FY2020
 - Lowest since the modern U.S. refugee resettlement program began in 1980
- The share of asylum applications approved in immigration courts decreased from 43 percent in FY 2016 to 26 percent in FY 2020


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VP HARRIS' APPROACHES TO IMMIGRATION

- Diplomacy: Work with sending nations to stabilize their economies
- In 2021, Vice President Harris traveled to Guatemala to discuss immigration from the Northern Triangle
- There were nearly as many deportations during the Biden administration as during the Trump administration
 - 1.1 million deportations from the beginning of FY 2021-February 2024
 - 1.4 million deportations during the 4-year Trump administration
 - Chishti, Muzaffar and Bush-Joseph, Kathleen. June 27, 2024. "The Biden Administration Is on Pace to Match Trump Deportation Numbers—Focusing on the Border, Not the U.S. Interior." *Migration Information Source*

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THE WALL STREET JOURNAL



U.S. Officials Wanted to Avoid Trump's 'Kids in Cages' Problem. Doing So Created Another Dilemma.

Officials sent children to suspicious guardians as they struggled to house minors crossing the border in 2021, internal documents show

EXCLUSIVE

HOKYOUNG KIM FOR WSJ

By [Jack Gillum](#) and [Michelle Hackman](#)

July 8, 2024 9:00 am ET

BE WARY OF UNINTENDED CONSEQUENCES

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QUESTIONS & DISCUSSION

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