

AN EXAMINATION OF IMMIGRATION POLICY ISSUES IN THE UNITED STATES

A Report from the Office of the University Economist

August 2018

Dennis Hoffman, Ph.D.

Professor of Economics, University Economist,
and Director, L. William Seidman Research Institute

Research support provided by
Taylor Gilmore, B.A.
Research Economist, L. William Seidman Research Institute

Center for Competitiveness and Prosperity Research
L. William Seidman Research Institute
W. P. Carey School of Business
Arizona State University
Box 874011
Tempe, Arizona 85287-4011

(480) 965-5362
FAX: (480) 965-5458
EMAIL: Dennis.Hoffman@asu.edu
wpcarey.asu.edu/research/competitiveness-prosperity-research
economist.asu.edu



TABLE OF CONTENTS

Summary	1
Understanding Immigration Policy in the United States	3
Deportation	3
Worksite Enforcement Strategy	6
Restrictions on Labor Participation/Eligibility of DACA Participants	7
Walls and Other Border Security	8
Deterrence of International Students	9
Restrictions on Legal Immigration	9
Unauthorized Immigration and Crime	11

LIST OF TABLES

1. Estimated Number of Unauthorized Immigrants Living in the United States by Country of Origin, January 2014	4
2. Number of Persons Obtaining Lawful Permanent Resident Status by Type and Major Class of Admission	10
3. Immigration and Customs Enforcement Administrative Arrests by Criminality, Fiscal Year 2017	12

LIST OF CHARTS

1. Estimated Number of Unauthorized Immigrants Living in the United States	6
2. Number of Persons Obtaining Lawful Permanent Resident Status	10

SUMMARY

Despite the recent leveling-off of the number of unauthorized immigrants living in the United States, the issue of heightened immigration enforcement has come to the forefront of the political arena. Best estimates of the total unauthorized immigrant population are approximately 11-to-12 million, with 8 million working or wanting to work. While unauthorized workers contribute to the economy through taxes, consumption, and increased productivity, the cost of providing health care, education, and law enforcement services for the unauthorized immigrant population has varying impacts at the federal, state, and local levels. With the current unemployment rate falling below 4 percent, the economic cost of deporting unauthorized workers in the U.S. would be significant at both the state and federal levels. Industries such as agriculture, construction, and hospitality would experience workforce reductions of 10-to-18 percent.

Recent Immigration Reform and Control Act (IRCA) enforcement actions, frequently taking the form of pre-planned workplace raids, have the unintended consequence of increasing coercive power of employers over employees. Many immigration advocate groups warn of the growing reluctance of unauthorized workers to complain about substandard or hazardous labor conditions. By placing immigration control at the hands of employers, the policy effectively undermines employer sanctions by creating an environment where firms that obey the law are at a competitive disadvantage with firms that hire unauthorized workers and violate labor standards.

Opposition to the Deferred Action for Childhood Arrivals (DACA) program, which provides two years of deportation relief and work authorization to unauthorized immigrant child arrivals, is largely rooted in arguments that the program is either a departure from normal law or overly burdensome in terms of public expenditure. One group of legal experts has contested the former, finding the program to be a lawful exercise of prosecutorial discretion. Studies on the cost of DACA frequently find that recipients achieve higher levels of education and income than an average unauthorized immigrant, and therefore contribute more in taxes. Arguments that cite the cost of K-12 education for DACA recipients as a reason for repealing the program must consider that these public resources are absorbed by unauthorized immigrant children independent of DACA status.

The proposed construction of a wall along the U.S.-Mexico border may be a poor allocation of funds in terms of reinforcing immigration enforcement. The Institute for Defense Analyses found that about 200,000 unauthorized immigrants crossed the border in 2015, down from an estimated 2 million crossings in 2000. Estimates by the Center for Migration Studies find that visa overstays have exceeded border crossings every year since 2007.

Many U.S. institutions of higher education have expressed concern regarding the effect of new immigration policies on international student enrollment. Enrollment data shows that international student populations, while growing at slower rates than previous years, have not declined in total.

Much of the literature on the legal immigration quota system finds the current system to be inefficient. Employment-based immigration quotas fall below the available supply of foreign workers as well as U.S. employer demand. This can lead to labor shortages in entire industries or highly specialized positions remaining unfilled.

Justification for heightened immigration enforcement is frequently based on the view that unauthorized immigrants pose a threat to public safety. This may be misinformed, as most research investigating crime patterns while controlling for age and gender finds that crime and unauthorized immigration are unrelated. Demographic groups that historically made up the bulk of unauthorized immigrants — young, less-educated men from Mexico, El Salvador, and Guatemala — have notably lower rates of incarcerations than their native-born counterparts. Further research on this topic is inhibited by a lack of data on unauthorized criminal residents, as most correctional institutions do not collect information on the authorization status of criminal aliens.

UNDERSTANDING IMMIGRATION POLICY IN THE UNITED STATES

According to the American Immigration Council, immigration policy in the United States is based on the following principles: reunifying families, admitting immigrants with valuable skills, protecting refugees, and promoting diversity. The family-based immigration category allows U.S. citizens and legal permanent residents to bring family members to the United States as immediate relatives or through the family preference system.¹ The employment-based immigration category allows immigrants with valuable skills to come to the United States on a permanent or a temporary visa.² Refugee, asylee, and other vulnerable population categories grant legal admission to people who are fleeing persecution or unable to return to their homes due to life-threatening or extraordinary conditions.³ The diversity visa lottery system allocates 55,000 visas annually to foreign nationals from countries who have sent less than 50,000 immigrants to the United States in the previous five years.⁴ Other forms of humanitarian relief-based immigration include Temporary Protected Status, which can be granted to people who cannot return to their home countries because of extraordinary temporary conditions, or Deferred Enforced Departure, which can protect individuals from deportation whose home countries are unstable or dangerous.⁵

Unauthorized immigrants gain entry to the United States in various ways. The Pew Research Center estimates that the three most common modes of entry include overstaying nonimmigrant visas, evading immigration inspectors and border control, and Border Crossing Card violations at the U.S.-Mexico border.⁶

DEPORTATION

The total number of unauthorized immigrants in the United States in recent years has been estimated by various organizations at approximately 11-to-12 million.⁷ Approximately 8 million are working or looking for work.⁸ The countries from which the unauthorized immigrants came is shown in Table 1.

While unauthorized immigrants contribute significantly to the economy, the cost of providing health care, education, and law enforcement services impacts federal, state, and local governments differently. At the federal level, most data shows that unauthorized immigrants contribute more money in taxes than they consume in services. This is largely because payroll taxes and mandatory income tax withholding formulas yield a steady stream of revenue to the

¹ American Immigration Council, "How the United States Immigration System Works," 2016, <https://www.americanimmigrationcouncil.org/research/how-united-states-immigration-system-works>.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Pew Research Center, "Modes of Entry for the Unauthorized Migrant Population," 2006, <http://www.pewhispanic.org/2006/05/22/modes-of-entry-for-the-unauthorized-migrant-population/>.

⁷ U.S. Department of Homeland Security, Office of Immigration Statistics, "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2014," July 2017, https://www.dhs.gov/sites/default/files/publications/Unauthorized%20Immigrant%20Population%20Estimates%20in%20the%20US%20January%202014_1.pdf.

⁸ Pew Research Center, "Size of U.S. Unauthorized Immigrant Workforce Stable After the Great Recession," November 2016, <http://www.pewhispanic.org/2016/11/03/size-of-u-s-unauthorized-immigrant-workforce-stable-after-the-great-recession/>.

TABLE 1
ESTIMATED NUMBER OF UNAUTHORIZED IMMIGRANTS
LIVING IN THE UNITED STATES BY COUNTRY OF ORIGIN, JANUARY 2014

Country of Origin	Estimated Population	Percent of Total Population
TOTAL	12,120,000	100%
Mexico	6,640,000	55
El Salvador	700,000	6
Guatemala	640,000	5
India	430,000	4
Honduras	400,000	3
Philippines	360,000	3
China	270,000	2
Korea	250,000	2
Vietnam	200,000	2
Dominican Republic	180,000	1
Other countries	2,050,000	17

Source: U.S. Department of Homeland Security, Office of Immigration Statistics, "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2014," July 2017, https://www.dhs.gov/sites/default/files/publications/Unauthorized%20Immigrant%20Population%20Estimates%20in%20the%20US%20January%202014_1.pdf.

federal government, while most of the associated costs of unauthorized immigrants fall to state and local governments. Findings on the net economic costs to state and local governments vary significantly.⁹ A 2004 study by the Federation for Immigration Reform found that unauthorized immigrants in Arizona have a net cost of \$1.3 billion per year, based on public expenditures and estimated tax contributions.¹⁰ A later study by the Udall Center for Studies in Public Policy calculated that authorized and unauthorized immigrants in Arizona generate a net fiscal contribution of \$940 million annually.¹¹ Despite varying results, it is generally true that states with low or zero income tax rates have limited ability to capture revenue from wages, and primarily benefit from revenues generated by unauthorized immigrants' consumption. State and local governments also incur the costs of education, emergency healthcare, and public safety associated with the unauthorized immigrant population. The evidence on the size and impact of these costs is variable when contributions by unauthorized workers to the workforce are considered.

⁹ Becerra, D., Androff, D. K., Ayon, C., & Castillo, J. T. "Fear vs. Facts: Examining the Economic Impact of Undocumented Immigrants in the U.S.," *Western Michigan University Journal of Sociology & Social Welfare*, 39(4), 2012, <https://scholarworks.wmich.edu/jssw/vol39/iss4/>.

¹⁰ Martin, J. & Mehlman, I. "The Costs of Illegal Immigration to Arizonans," The Federation for American Immigration Reform, 2004, <http://www.fairus.org/sites/default/files/2017-08/azcosts2.pdf>.

¹¹ Gans, J. "Immigrants in Arizona: Fiscal and Economic Impacts," Udall Center for Studies in Public Policy, The University of Arizona, 2008, <http://www.udallcenter.arizona.edu/immigration/publications/impactofimmigrants08.pdf>.

One study suggests that a mass deportation policy threatens to reduce national gross domestic product (GDP) by 1.4 percent within one year and by \$4.7 trillion over 10 years.¹² These costs are exacerbated by the current unemployment rate falling below 4 percent. With no slack in the labor market, reducing the immigrant population in the U.S. could cause significant labor shortages. As capital will adjust downward to a reduction in labor, the long-run economic effects of a mass deportation policy are considerable. Federal government revenue reductions, proportional to GDP, are projected to start at \$50 billion and accumulate to \$860 billion over a 10-year period.¹³ States with the largest proportion of unauthorized workers would experience the largest declines in state GDP from a mass deportation policy. One study projects losses to California at \$103 billion annually, or a 5 percent drop in state GDP from deporting unauthorized workers.¹⁴ This study does not take into account the cost to the public sector associated with removing the unauthorized immigrant population.

The highest concentration of unauthorized workers lies in the agriculture, construction, and hospitality industries. These industries would experience workforce reductions of 10-to-18 percent with a mass deportation.¹⁵ Unauthorized immigrants also create domestic jobs as consumers by spending their wages on homes, food, appliances, cars, and other goods and services. In addition, they contribute an estimated \$11.6 billion in state and local taxes annually through sales, property, and income taxes.¹⁶ The removal of 11.3 million consumers and taxpayers would further exacerbate GDP and government revenue losses.

The immediate cost of executing and enforcing a mass deportation policy is estimated at \$114 billion.¹⁷ An additional financial burden could arise from the obligation to care for minors born in the United States to unauthorized immigrants. If one-third of U.S.-born children became the obligation of the state after the deportation of their parents, the cost of care would amount to \$118 billion.¹⁸

Contrary to the surge of interest in the policy debate surrounding unauthorized immigration, Pew Research Center estimates suggest that the size of the unauthorized immigrant population in the U.S. has leveled off in recent years (see Chart 1). While increased immigration policy enforcement may play a role, it is likely that the relative shifts in demographic trends in the United States and Mexico are at the root of this trend. The “baby bust” during the 1960s and 1970s left the U.S. labor market with a dearth of new entrants approximately two decades later. The labor shortage was alleviated by the increasing number of young immigrant workers crossing the border to the United States. Since U.S. immigration policy was not modified to

¹² Edwards, R., & Ortega, F. “The Economic Impacts of Removing Unauthorized Immigrant Workers: An Industry- and State-Level Analysis,” Center for American Progress, 2016, <https://www.americanprogress.org/issues/immigration/reports/2016/09/21/144363/the-economic-impacts-of-removing-unauthorized-immigrant-workers/>.

¹³ Ibid.

¹⁴ Ibid.

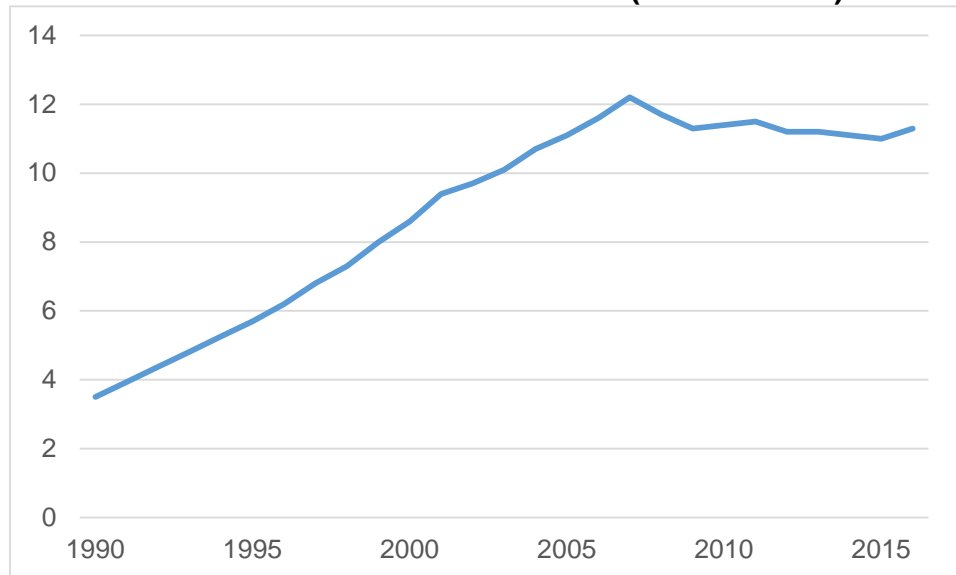
¹⁵ Ibid.

¹⁶ Christensen Gee, L., Gardner, M., & Wiehe, M. “Undocumented Immigrants’ State & Local Tax Contributions,” The Institute on Taxation & Economic Policy, 2016, <https://itep.org/immigration/>.

¹⁷ Warren, R., & Kerwin, D. “Mass Deportations Would Impoverish US Families and Create Immense Social Costs,” *Journal on Migration and Human Security*, 5(1), 2017, <http://cmsny.org/publications/mass-deportations-impoverish-us-families-create-immense-costs/>.

¹⁸ Ibid.

CHART 1
ESTIMATED NUMBER OF UNAUTHORIZED IMMIGRANTS
LIVING IN THE UNITED STATES (IN MILLIONS)



Source: Pew Research Center.

reflect the need for more workers during the 1990s, many of the immigrants entered the country illegally.

More recently, the labor market is experiencing the effects of the entrance of “baby-boom echo” generation, resulting in an increased supply of domestic workers. Simultaneously, demographic trends in Mexico have shifted. Historically high fertility rates resulted in a surplus of available labor in Mexico, which was partially relieved through authorized and unauthorized migration to the United States. Declines in fertility rates have brought the Mexican labor market more into balance, which allows those entering the workforce more success in finding a job in Mexico.

WORKSITE ENFORCEMENT STRATEGY

The Immigration Reform and Control Act (IRCA) of 1986 marked the first federal prohibition against the employment of unauthorized immigrants. The IRCA forbids an employer from knowingly hiring or employing any unauthorized worker and obligates an employer to examine an employee’s work authorization documents and complete a Form I-9 within three days of hire.¹⁹ Congress imposes the enforcement of these provisions on the employer through civil fines and criminal penalties. IRCA enforcement generally declined in the decades following the law’s passage until a recent surge in enforcement activity. Enforcement has recently taken the form of pre-planned workplace raids resulting in widespread arrests of unauthorized workers rather than audits of employment records. Many advocate groups warn of the reluctance of unauthorized workers to complain about substandard or hazardous labor conditions because of new IRCA

¹⁹ Wishnie, M. J. “Prohibiting the Employment of Unauthorized Immigrants: The Experiment Fails,” University of Chicago Legal Forum, 2007, http://digitalcommons.law.yale.edu/fss_papers/925/.

enforcement actions. A variation of this effect is that employers can, and often do, use the threat of deportation to dissuade these workers from asserting their labor rights.²⁰

While the IRCA seeks to preserve jobs for American citizens and authorized immigrants who are legally entitled to them, major proponents of the initial policy such as the AFL-CIO and African-American civil rights organizations now oppose the sanctions.²¹ As an instrument of immigration enforcement, private employers have increased coercive power on employees. Judicial interpretations have generally found unauthorized workers to be excluded from federal and state labor protections. This has largely undermined the effects of employer sanctions for hiring unauthorized employees. In industries that rely on low-wage workers, employers who obey labor and immigration laws find themselves at a competitive disadvantage with firms who hire unauthorized workers and violate labor standards.²² Rather than protecting U.S. workers from wage competition, these sanctions can have the opposite effect by allowing employers to violate wage standards.

RESTRICTIONS ON LABOR PARTICIPATION/ ELIGIBILITY OF DACA RECIPIENTS

There are approximately 689,800 active Deferred Action for Childhood Arrivals (DACA) program recipients as of September 2017.²³ This program provides two years of deportation relief and work authorization to unauthorized immigrants who arrived in the United States as children (16 years of age or younger). Continued work authorization and approval is subject to renewal every two years. Approximately 1.7 million immigrants are potentially eligible for the program.²⁴

A 2014 survey reported that 59 percent of DACA recipients accepted their first job, 45 percent received a pay increase, 49 percent opened their first bank account, and 33 percent got their first credit card as a result of their participation in DACA.²⁵ A study estimating the economic impact of DACA recipients by comparing them to H-1B visa holders found that DACA participants earn an average of \$34,000 annually and yield a GDP gain of \$215 billion over a ten-year period.²⁶ If DACA participants lose their authorized employment status, it is likely that they will remain in the United States and pursue employment illegally at wages 10-to-20 percent less than what they previously earned.²⁷

Opposition to the DACA program is largely rooted in the argument that the program is a departure from normal law and constitutional governance. However, a study of the U.S.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ Cissna, L. F. "The Department of Homeland Security's Response to Representative King's January 16, 2018 Letter," https://www.uscis.gov/sites/default/files/files/nativedocuments/DACA_-_Representative_King.pdf.

²⁴ Pope, N. G. "The Effects of DACAmentation: The Impact of Deferred Action for Childhood Arrivals on Unauthorized Immigrants," *Journal of Public Economics*, 143, 98-114 (2016), <https://www.sciencedirect.com/science/article/pii/S0047272716301268>.

²⁵ Brannon, I., & Albright, L. "The Economic and Fiscal Impact of Repealing DACA," CATO at Liberty, 2017, <https://www.cato.org/blog/economic-fiscal-impact-repealing-daca>.

²⁶ Ibid.

²⁷ Ibid.

constitution, administrative law, immigration statutes, federal regulations, and case law by a group of legal experts found that the implementation of DACA was a lawful exercise of prosecutorial discretion.²⁸ Other arguments against the DACA program cite the cost of public education and other government benefits for the recipients, as most complete some primary and/or secondary schooling in the United States and can go on to receive in-state tuition at public universities. However, public expenditure on education for unauthorized immigrant children is independent of DACA status, and only six states currently have in-state tuition policies that extend to unauthorized immigrants. Other arguments pose that the opportunity for DACA recipients to achieve higher levels of education leads to increased employment and higher earnings in the formal sector, and in turn the recipients contribute more taxes through payroll, income, and sales as a result of increased consumption.²⁹

WALLS AND OTHER BORDER SECURITY

The border with Mexico spans almost 2,000 miles, 653 of which have existing barriers in place. The Institute for Defense Analyses estimates that about 200,000 unauthorized immigrants crossed the border in 2015, down from an estimated 2 million entries in 2000. The Trump administration's proposed border wall would likely cover 700-to-900 miles of the border and implement other technology-based solutions for nonwalled stretches. Estimated costs of the planning, design, and construction of a wall widely vary. President Trump estimates that the wall can be built for \$8-to-\$12 billion, while Congressional Republicans expect it would cost from \$12-to-\$15 billion based on the costs of the existing border fencing. An independent estimate by the MIT Technology Review puts the cost much higher at \$27-to-\$40 billion.³⁰

Several ideas have been proposed by the administration in terms of funding the project. Mr. Trump and GOP leadership have suggested that U.S. taxpayers will likely pay for the initial construction costs, which would later be recouped from Mexico. Mr. Trump has suggested cutting off remittance payments to Mexico in an attempt to coerce them into paying for the wall, imposing a 20 percent border adjustment tax on Mexican exports, or leveraging the \$200 million in annual U.S. foreign aid to Mexico. With a \$63.2 billion U.S. trade deficit with Mexico, a 20 percent border tax could generate \$12.6 billion in additional taxes per year to fund the construction project.³¹ However, American consumers would face higher prices for a number of Mexican imports with the imposition of a border tax. The construction of a wall is expected to bring anywhere from the low thousands to the tens of thousands in new jobs. Labor would be required to assemble the wall, bring supplies to the border, and even build roads in remote areas where access to the border is limited. Southern border states, however, often experience shortages in skilled construction labor which could present a challenge.³² Many arguments pose

²⁸ Wadhia, S. S., Esq., Weiss, S., Family, J. E., & Olivas, M. A. Letter written August 14, 2017 to President Donald J. Trump, <https://pennstatelaw.psu.edu/sites/default/files/documents/pdfs/Immigrants/LawProfLetterDACAFinal8.13.pdf>.

²⁹ Brannon, I., & Albright, L. (2017).

³⁰ Ingold, D., Whiteaker, C., Rojanasakul, M., Recht, H., & Halford, D. (2017). "Here's What We Know About Trump's Mexico Wall," Bloomberg, 2017, <https://www.bloomberg.com/graphics/2017-trump-mexico-wall/>.

³¹ Snyder, R., Chopra, R., & Gingrich, B. "Economic Implications of Building a Wall," Penn Wharton Public Policy Initiative, 2017, <https://publicpolicy.wharton.upenn.edu/live/news/1818-economic-implications-of-building-a-wall-for-students/blog/news.php>.

³² Ingold, D., Whiteaker, C., Rojanasakul, M., Recht, H., & Halford, D. (2017).

that the required expenditure for the wall would be better allocated to other public works projects, such as roads, bridges, or water systems. Much like the wall, these projects would generate positive labor market impacts.

While border reinforcements have historically contributed to fewer apprehensions of unauthorized immigrants, they are not without limitations. A wall would not deter asylum seekers who present themselves to border agents at legal ports of entry. It would also have no effect on immigrants who overstay legal visas; almost 530,000 people are reported to have overstayed in fiscal year 2015. In contrast, about 330,000 people were apprehended at the border that year.³³ Further estimates of the unauthorized immigrant population from the Center for Migration Studies find that overstays have exceeded entries without inspection every year since 2007.³⁴ With fewer numbers crossing the border for entry, a wall may be limited in its capacity to deter unauthorized immigration.

DETERRENCE OF INTERNATIONAL STUDENTS

Many institutions of higher education have expressed concern regarding the effect of new immigration policies on international student enrollment. However, enrollment of international students, while growing at a slower rate than in previous years, has not declined. Total international student enrollment grew by 3.4 percent in 2017, while it grew by 10 percent and 7.1 percent in 2016 and 2015, respectively.³⁵ The estimated economic impact from spending of foreign students at U.S. institutions of higher education has increased from \$5.5 billion in 2008 to \$15.5 billion in 2016.³⁶ Adjusted for inflation, this is an increase of \$8.3 billion between 2008 and 2016.

RESTRICTIONS ON LEGAL IMMIGRATION

A time series of the number of persons obtaining lawful permanent resident status in the United States is shown in Chart 2. Excluding the years in which the number of was boosted by the IRCA's granting lawful status to immigrants who had arrived earlier, the number receiving lawful status in recent years is similar to the peak period from 1905 to 1914, when the population of the United States was less than one-third as large. Table 2 summarizes the class of admission of recent immigrants to the United States.

One of the inefficiencies of the current immigration system is the quota of 85,000 H-1B visas awarded to highly skilled immigrants each year. This cap lies far below the available supply of skilled foreign workers as well as U.S. employer demand. In 2016, 236,000 applications were filed within one week of the start of the application period. Most firms that attempt to sponsor a

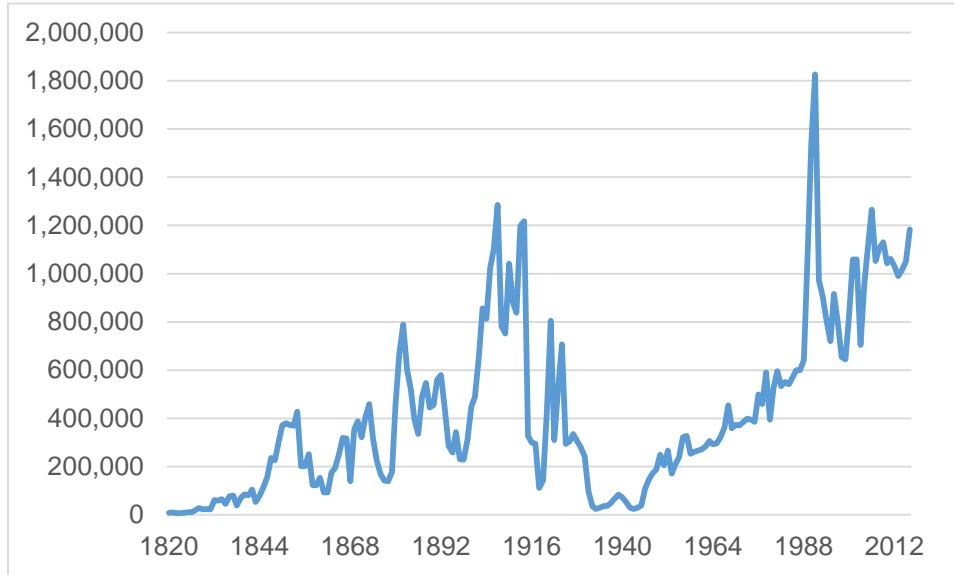
³³ Ingold, D., Whiteaker, C., Rojanasakul, M., Recht, H., & Halford, D. (2017).

³⁴ Warren, R., & Kerwin, D. "The 2,000 Mile Wall in Search of a Purpose: Since 2007 Visa Overstays have Outnumbered Undocumented Border Crossers by a Half Million," Center for Migration Studies, 2017, <http://cmsny.org/publications/jmhs-visa-overstays-border-wall/>.

³⁵ Institute of International Education, "International Student Enrollment Trends, 1948/49-2015/16," 2016, <https://www.iie.org/Research-and-Insights/Open-Doors/Data/International-Students/Enrollment/Enrollment-Trends>.

³⁶ Ruiz, N., & Radford, J. "New Foreign Student Enrollment at U.S. Colleges and Universities Doubled Since Great Recession," Pew Research Center, 2017, <http://www.pewresearch.org/fact-tank/2017/11/20/new-us-foreign-student-enrollment-doubled-since-great-recession/>.

**CHART 2
NUMBER OF PERSONS OBTAINING LAWFUL PERMANENT RESIDENT STATUS**



Note: The high figures from 1989 through 1991 result from the granting of lawful residence through the IRCA to those who had arrived in the United States earlier.

Source: U.S. Department of Homeland Security, Office of Immigration Statistics, “Yearbook of Immigration Statistics 2016,” <https://www.dhs.gov/immigration-statistics/yearbook/2016>.

**TABLE 2
NUMBER OF PERSONS OBTAINING LAWFUL PERMANENT RESIDENT STATUS
BY TYPE AND MAJOR CLASS OF ADMISSION**

Type/Class of Admission	Fiscal Year		
	2014	2015	2016
Total	1,016,518	1,051,031	1,183,505
Family-sponsored preferences	229,104	213,910	238,087
Immediate relatives of U.S. citizens	415,456	465,068	566,706
Employment-based preferences:	151,596	144,047	137,893
Priority workers	40,554	41,688	42,862
Workers with advanced degrees or exceptional ability	48,801	44,344	38,858
Skilled workers, professionals and unskilled workers	43,156	37,243	35,933
Other	19,085	20,772	20,240
Diversity (Lottery)	53,490	47,934	49,865
Refugees	96,066	118,431	120,216
Asylees	38,176	33,564	37,209
Parolees	95	23	15
Children born abroad to alien residents	594	403	92
Cancellation of removal	5,248	4,713	3,453
Other	25,693	22,938	29,969

Source: U.S. Department of Homeland Security, Office of Immigration Statistics, “Yearbook of Immigration Statistics 2016,” <https://www.dhs.gov/immigration-statistics/yearbook/2016>.

highly skilled worker for an H-1B visa are rejected because no visas are available. This often leads to highly specialized positions remaining unfilled.³⁷

The U.S. green card system, which allows immigrant workers to apply for permanent residency, also restricts the employment opportunities and economic potential of authorized immigrants. A severe application backlog leaves millions of green card applicants in a status void, which can make them ineligible to renew their temporary employment authorization. As a result of the nationality-based quota system, some immigrants will not receive a permanent residence status for years after the initial application.³⁸

The current legal channels to hire lesser-skilled immigrant workers also frequently prove to be insufficient. U.S. agricultural employers face constant labor shortages as local workers are increasingly unwilling or unable to fulfill long hours of manual labor. Agricultural employers have cited considerable difficulty in dealing with the costs and requirements of hiring workers through the H-2A visa system. During seasonal changes, agricultural employers may need to hire within short notice and for short periods of time. The H-2A application process as well as the associated consular, visa, and transportation costs often make this infeasible. Employers in nonagricultural sectors have the single option of hiring lesser-skilled immigrant workers through the H-2B visa system for seasonal work lasting six months or less. With the current unemployment rate consistent with an economy that is at or near full employment, the United States is projected to require 3 million additional workers to fill lesser-skilled positions over the next decade. Without sufficient legal channels through which to hire lesser-skilled immigrant workers, the U.S. economy will likely experience productivity losses.³⁹

UNAUTHORIZED IMMIGRATION AND CRIME

Justification for heightened border enforcement under the Trump administration is frequently based on the view that unauthorized immigrants pose a threat to public safety. However, most research investigating crime patterns while controlling for age and gender shows that criminality is unrelated to unauthorized immigration. Demographic groups that historically made up the bulk of the unauthorized immigrant population — young, less-educated men from Mexico, El Salvador, and Guatemala — have notably lower rates of incarceration than their native-born counterparts.⁴⁰

One report on criminal aliens in Arizona prison systems found that unauthorized immigrants are more likely to be convicted of a crime than other Arizonans. Criticism of this research states that the Arizona Department of Corrections dataset, on which these findings are based, does not include a category distinguishing authorized from unauthorized immigrant residents.⁴¹ Both authorized and unauthorized noncitizen immigrants can be categorized as “non-U.S. citizen and deportable” in the Arizona Department of Corrections system, depending on the crime

³⁷ Business Roundtable, “Economic Effects of Immigration Policies: A 50-State Analysis,” 2017, <https://www.businessroundtable.org/economic-effects-immigration>.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ghandnoosh, N., & Rovner, J. “Immigration and Public Safety,” The Sentencing Project, 2017, <https://www.sentencingproject.org/publications/immigration-public-safety/>.

⁴¹ Nowrasteh, A. “The Fatal Flaw in John R. Lott Jr.’s Study on Illegal Immigrant Crime in Arizona,” CATO at Liberty, 2018, <https://www.cato.org/blog/fatal-flaw-john-r-lott-jrs-study-illegal-immigrant-crime-arizona>.

committed. The study also does not control for age, gender, or other factors that are associated with criminality. With these limitations, the author reports that unauthorized immigrants accounted for 12.6 percent of incarcerations in 2014, while unauthorized immigrants as a portion of the population ranges from 4.5 to 5.1 percent. Extrapolating these numbers, the author calculated that unauthorized immigrants are at least 146 percent more likely to be convicted of crime than other Arizonans.⁴²

U.S. Immigration and Customs Enforcement (ICE), whose policy is to target unauthorized immigrants with known criminal convictions, has increased administrative arrests in fiscal year 2017 to 143,470 total arrests. Of these, ICE reports 105,736 or 73.7 percent had previous criminal convictions (see Table 3). The most common criminal offense categories among these arrests are traffic offenses (DUI), dangerous drugs, and immigration crimes including illegal entry, illegal re-entry, false claim to citizenship, and alien smuggling.⁴³

State and local governments shoulder the majority of the cost of unauthorized immigrant incarcerations. Estimating this cost is difficult, as most correctional institutions do not collect information on criminal aliens. Among institutions that do document criminal alien incarcerations, data are usually not differentiated between authorized and unauthorized immigrants. The Congressional Budget Office estimated the cost to state and local governments for incarcerating unauthorized immigrants and reported that it represents less than 5 percent of law enforcement budgets on average.⁴⁴ In an attempt to alleviate these costs, the Department of Justice provides reimbursements through the State Criminal Alien Assistance Program (SCAAP). The fiscal year 2013 allocation for the program was \$238 million, which alleviated approximately 18 percent of reported state and local costs.⁴⁵ Funding from the SCAAP program can be used for the costs directly associated with the incarceration of aliens who are either known to be or reasonably believed to be unauthorized criminal aliens.

TABLE 3
IMMIGRATION AND CUSTOMS ENFORCEMENT ADMINISTRATIVE ARRESTS
BY CRIMINALITY, FISCAL YEAR 2017

Criminality	Arrests	Percent of Total
Total Arrests	143,470	100.0%
Criminal Convictions	105,736	73.7
Pending Criminal Charges	22,256	15.5
No Known Criminal Charges or Convictions	15,478	10.8

Source: U.S. Department of Homeland Security, Immigration and Customs Enforcement, "Fiscal Year 2017 ICE Enforcement and Removal Operations Report,"

<https://www.ice.gov/sites/default/files/documents/Report/2017/iceEndOfYearFY2017.pdf>.

⁴² Lott, John R. "Undocumented Immigrants, U.S. Citizens, and Convicted Criminals in Arizona," *SSRN Electronic Journal*, 2018, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3099992.

⁴³ U.S. Department of Homeland Security, Immigration and Customs Enforcement, "Fiscal Year 2017 ICE Enforcement and Removal Operations Report,"

<https://www.ice.gov/sites/default/files/documents/Report/2017/iceEndOfYearFY2017.pdf>.

⁴⁴ Becerra, D., Androff, D. K., Ayon, C., & Castillo, J. T. (2012).

⁴⁵ Morse, A. "The State Criminal Alien Assistance Program (SCAAP)," National Conference of State Legislatures, 2013, <http://www.ncsl.org/research/immigration/state-criminal-alien-assistance-program.aspx>.