

For Immediate Release

Immigration Reform with Legalization Does Help U.S. Economy and Newly Legalized

April 9, 2010

Washington D.C. - A new report from the Public Policy Institute of California (PPIC), entitled [*Immigrant Legalization: Assessing the Labor Market Effects*](#), yields both some enlightening and some potentially misleading results about the likely impact of a legalization program. Because the PPIC report focuses on legal status acquired under current immigration law, it does not reflect the long-term benefits and gains that follow from a comprehensive immigration reform package which includes legalization.

While the PPIC report dovetails with other reports when it concludes that legalization would not have a negative impact on native workers' wages and employment, their findings on the wages and mobility of the newly legalized differ from other academic studies on how immigrants fare after legalization. This difference can be attributed to the fact that PPIC looks at legalization only, and how the newly legalized are doing just 4-13 months after becoming legalized. Almost all other previous studies haven't taken a longer term view of their success.

PPIC relies upon data from the New Immigrant Survey (NIS), a sample of foreign-born individuals who acquired legal permanent resident (LPR) status between May and November 2003. It is important to keep in mind that the NIS is not representative of the unauthorized-immigrant population as a whole. As opposed to the individuals captured in the NIS, most unauthorized immigrants do not have a means of acquiring legal status. Moreover, individuals in the NIS were interviewed 4-13 months after acquiring LPR status.

Despite these limitations in the NIS data, the PPIC report uses it to conclude that immigrants who receive legal status do not experience significant upward mobility in their occupation or wages. Unfortunately, 4-13 months is far too short a time to witness the sort of upward socioeconomic mobility that legalization would facilitate. For instance, a [report](#) on beneficiaries of legalization under the 1986 Immigration Reform and Control Act (IRCA) revealed pronounced upward mobility in terms of education, wages, homeownership, and occupation between 1990 and 2006:

- In 1990, only 30 percent of IRCA immigrants 16-24 years old had a high-school diploma or better. By 2006 (when that group was 31-41 years old), the share had increased to 58 percent.
- The real wages of IRCA immigrants in all age groups increased between 1990 and 2006.
- While 34 percent of IRCA immigrants age 35-44 years owned homes in 1990, 68 percent owned homes in 2006.
- The share of younger IRCA immigrants employed in managerial-level positions rose substantially, from 9 percent in 1990 to 17 percent in 2006.

Although the PPIC report is right that a new legalization program for unauthorized immigrants poses no danger to native-born workers and taxpayers, it vastly underestimates the significant economic benefits that would likely flow from legalization. This stems in part from the report's questionable finding that roughly 90 percent of all unauthorized immigrants already pay taxes and that legalization therefore would bring few new taxpayers into the system. Most other authoritative [estimates](#) suggest that around half of unauthorized immigrants currently pay taxes. Legalization would bring more people into the tax system than PPIC assumes, and would yield increasing tax revenue over time as the wages of newly legalized workers rise.

A [recent report](#) from the Immigration Policy Center and Center for American Progress concludes that, in the first three years after legalization, the higher earning power of newly legalized workers would translate "into an increase in net personal income of \$30 to \$36 billion, which would generate \$4.5 to \$5.4 billion in additional net tax revenue." This is a significant increase that reflects upward mobility among legalized workers which takes years, not months, to achieve.