September 9, 2021

The Honorable Chuck Schumer Majority Leader United States Senate U.S. Capitol Building Washington, DC 20510

The Honorable Nancy Pelosi Speaker of the House United States House of Representatives U.S. Capitol Building Washington, DC 20515 The Honorable Bernie Sanders Chairman Senate Budget Committee United States Senate Washington, DC 20510

The Honorable John Yarmuth Chairman House Budget Committee United States House of Representatives Washington, DC 20515

Dear Majority Leader Schumer, Speaker Pelosi, and Chairmen Sanders and Yarmuth,

As professional economists and scholars in related fields, we are writing to you today to encourage you to consider the economic, fiscal, and public policy rationales behind including a pathway to citizenship to undocumented individuals and their families—particularly for Dreamers, individuals with Temporary Protected Status, and those working in jobs deemed essential to the country's critical infrastructure during this pandemic—in a final budgetary reconciliation package. Such a policy would increase wages and productivity throughout the U.S. economy, create jobs, generate additional tax revenue, strengthen worker protections for immigrant and native workers alike, and lift many families out of poverty.

Across the country, there are an estimated 10.4 million undocumented immigrants in the country, including 5 million of whom are working in occupations and industries that were deemed essential by the federal government. Through their work they have kept Americans healthy, safe, and provided for during the unprecedented COVID-19 pandemic—and they have done so at great personal risk to themselves and their families. Offering them the chance to earn citizenship will help to ensure that the economic recovery reaches all corners of society, including those that have been disproportionately impacted by the effects of the pandemic, while establishing a more stable and equitable foundation on which future economic success can be built for all American families.

Prior research by the <u>U.S. Department of Labor</u> and independent academic analyses demonstrate that granting legal status raises the wages of beneficiaries by, in the short run, allowing them to get jobs better matched to their skills and to, in the long run, invest more fully in themselves by pursuing additional education, obtaining occupational and professional licensure, and the like. In 2014, the <u>Migration Policy Institute</u> concluded that providing temporary protection from deportation and work authorization to the intended beneficiaries of the Obama administration's Deferred Action for Parents of Americans (DAPA) initiative, would have lifted a sizable number of families out of poverty. A <u>White House Council of Economic Advisers analysis of DAPA</u> and <u>other reports</u> authored by economists examining proposals to provide permanent immigration

protections and a path to citizenship to various categories of undocumented immigrants, have concluded that beyond the wage gains of program beneficiaries, legalization would increase the average wages of all Americans.

Economists broadly agree that providing work authorization to undocumented immigrants would also increase federal, state, and local tax revenue and increase both federal and state gross domestic product (GDP). The policy would also strengthen the finances of both Social Security and Medicare by providing them with significant additional tax revenues now, when it is needed, with current workers collecting benefits several decades from now, after the cluster of Baby Boomer beneficiaries is past. Because economists have found additional positive wage effects that accrue from citizenship beyond those that result from work authorization alone, the magnitude of the economic and fiscal impacts that would be expected to occur from a legalization program would depend on the number of beneficiaries and the amount of time it would take for people to obtain citizenship; in general, the larger the population and the quicker the path the more immediate and greater the gains.

This spring, a <u>study</u> by the Center for American Progress and the University of California, Davis (UC Davis) Global Migration Center estimated that creating a pathway to citizenship for Dreamers, those eligible for TPS, and undocumented immigrants in essential occupations, including farmworkers, would grow U.S. GDP by \$1.5 trillion, raise the annual wages of all workers by \$600, and create more than 400,000 new jobs over the next decade. Another study <u>published</u> in 2019 found that legalizing an estimated 3 million Dreamers could increase GDP by 0.10% (or \$21 billion annually), which could be substantially higher if legalization incentivizes some of the beneficiaries to increase their educational attainment.

Particularly at a time when millions of Americans are out of work, it is important to consider how these policies will affect worker protections. Studies show that undocumented immigrants are <u>frequently unwilling to complain about workplace violations</u> even as they are at <u>heightened vulnerability to discrimination and abuse</u>, poor wages, and sub-standard working conditions, all of which also harm American workers. As work authorization and permanent legal status would empower these individuals to fully enforce their rights guaranteed by labor laws, the benefits would <u>level the playing field</u> for workers and businesses and improve the circumstances for all workers, regardless of their background.

A pathway to citizenship is a key component of a just, equitable, and robust recovery; and, as aforementioned, granting a pathway to citizenship for millions of aspiring Americans will bring expansive economic benefits to communities across the country—while having a significant impact on the federal budget—not only for the individuals directly affected, but for the larger systems—families, and the workforce—that they comprise.

As you finalize a budget reconciliation package, we hope you will consider including this as a sensible and long overdue policy intervention that can help to ensure that the country's economic recovery is as big and equitable as it needs to be to meet the challenges we face. Sincerely,

Eileen Appelbaum, Co-Director, Center for Economic and Policy Research **Leah Boustan**, Professor of Economics, Princeton University

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