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POLICY BRIEF

An Unlikely Fit: Will The Undocumented Apply for A Temporary Status?

by Benjamin Johnson*

A guest worker program that lacks a clearly defined path to a permanent status is an unlikely fit for many of the 9.3 million undocumented immigrants currently living in the United States, most of whom have deep roots in U.S. families, communities and businesses.

Any serious proposal to reform the U.S. immigration system must meet two distinct challenges: reducing future flows of undocumented migration by providing sufficient legal avenues for immigrants to enter the United States; and adjusting the status of undocumented immigrants who already live and work here. In his January 7 speech on immigration reform, President Bush seemed to suggest that both issues can be adequately addressed through the creation of a guest worker program that lacks a clearly defined path to permanent status for currently undocumented immigrants. However, the President's one-sentence acknowledgement that "some" undocumented immigrants will desire permanent status, without any details on how they might pursue that status, fails to recognize that the nation's approximately 9.3 million undocumented immigrants include men, women and children with deep roots in U.S. families, communities and businesses. Many have lived in the United States for over a decade. Far from being an ephemeral presence, undocumented immigrants fill essential roles in the U.S. economy as workers in a wide range of industries, taxpayers who pump billions of dollars into the Social Security system, and consumers who create jobs by buying goods

and services. Attempting to force the entire undocumented population into a guest worker program that would require them to return to countries some have not seen for decades, or that their children barely know, is an unlikely fit that would be bad not only for them, but for the nation as a whole.

Family Ties

Most undocumented immigrants are rooted in U.S. society through their families. The Urban Institute estimates that the nation's 4.5 million undocumented men and 3.2 million undocumented women are parents to 3 million children who are U.S. citizens and 1.6 million children who are themselves undocumented.¹ Naturally, the connection to U.S. society grows deeper the longer a family lives here, particularly in the case of children who - regardless of their legal status - may not know any other home. Statistics from the Immigration and Naturalization Service indicate that at least 3 million undocumented immigrants have lived in the United States for 10 years or more.²

Economic Clout

In addition to their family ties, undocumented immigrants are integrated into the U.S. economy as workers, taxpayers

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and consumers. By definition, it is difficult to document the economic contributions of the undocumented. However, the available evidence suggests that these contributions are substantial.

Because immigrants tend to be younger than natives, they are more likely to be in the workforce. As a result, undocumented immigrants account for 5 percent of U.S. workers³ even though they represent only 3.2 percent of the total U.S. population. In some industries, the undocumented are a far larger share of the labor force. The Pew Hispanic Center estimates that, in 2001, undocumented workers comprised 58 percent of the workforce in agriculture, 23.8 percent in private household services, 16.6 percent in business services, 9.1 percent in restaurants, and 6.4 percent in construction.⁴

Contrary to the popular notion that undocumented immigrants are paid “under the table” in cash, most of the undocumented in fact pay taxes. A study by the University of Illinois’ Center for Urban Economic Development found that 70 percent of undocumented workers in the Chicago metropolitan area paid payroll taxes in 2001.⁵ An Urban Institute study estimates that undocumented immigrants in New York paid more than \$1 billion in total taxes in 1995.⁶ Given that immigrants are younger than natives, Social Security tax payments by the undocumented are particularly significant at a time when the “baby boomers” are approaching retirement age. The Social Security Administration (SSA) has concluded that undocumented immigrants “account for a major portion” of the billions of dollars paid into the Social Security system under names or social security numbers that don’t match SSA records and which payees therefore can

never draw upon.⁷ As of July 2002, these payments totaled \$374 billion.⁸

A frequently overlooked way in which immigrants – undocumented and otherwise – contribute to the U.S. economy is through their purchasing power as consumers. The Center for Urban Economic Development found that undocumented immigrants in the Chicago metro area spent \$2.89 billion in 2001, thereby providing businesses with the income needed to sustain 31,908 jobs.⁹ The buying power of undocumented immigrants at the national level can only be inferred. In 2002, undocumented immigrants from Latin America accounted for 20 percent of all Latinos,¹⁰ who wielded a combined \$580.5 billion in buying power.¹¹ In 2001, the foreign-born population of the United States – 26 percent of which is undocumented¹² – included 5.7 million homeowners holding \$1.2 trillion in home value and \$876 billion in home equity.¹³

Realistic Choices

Policymakers debating “what to do” with undocumented immigrants must begin by recognizing that most of the current undocumented population already is an integral part of the U.S. economy and society. Expecting undocumented immigrants with deep roots in this country to fit into a guest worker program that does not include a workable, realistic path to a permanent status ignores this important fact. Even more unrealistic is the suggestion that we can or should deport 9.3 million undocumented immigrants. Neither option takes into account the social and economic damage to the United States of attempting to uproot millions of workers and their families.

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Endnotes

¹ Jeffrey S. Passel, Randy Capps & Michael Fix, "Undocumented Immigrants: Facts and Figures." Washington, DC: Urban Institute, January 12, 2004.

² U.S. Immigration and Naturalization Service, Office of Policy and Planning, *Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990-2000*, January 31, 2003.

³ Jeffrey S. Passel, et al. 2004.

⁴ B. Lindsay Lowell & Roberto Suro, *How many undocumented: The numbers behind the U.S.-Mexico Migration Talks*. Washington, DC: Pew Hispanic Center, March 21, 2002.

⁵ Chirag Mehta, Nik Theodore, Iliana Mora & Jennifer Wade, *Chicago's Undocumented Immigrants: An Analysis of Wages, Working Conditions, and Economic Contributions*. Chicago, IL: Center for Urban Economic Development, University of Illinois at Chicago, February 2002.

⁶ Jeffrey S. Passel & Rebecca L. Clark, *Immigrants in New York: Their Legal Status, Incomes, and Taxes*. Washington, DC: Urban Institute, April 1998.

⁷ Office of the Inspector General, Social Security Administration, *Obstacles to Reducing Social Security Number Misuse in the Agriculture Industry* (Report No. A-08-99-41004), January 22, 2001.

⁸ Office of the Inspector General, Social Security Administration, *Follow-Up Review of Employers with the Most Suspended Wage Items* (Report No. A-03-03-13026), October 30, 2003.

⁹ Chirag Mehta, et al. 2002.

¹⁰ Assuming the presence of 7.5 million undocumented immigrants from Latin America (Jeffrey S. Passel, et al. 2004) and a total Latino population of 37.4 million (Roberto R. Ramirez & G. Patricia de la Cruz, *The Hispanic Population in the United States: March 2002*, Current Population Reports, P20-545. Washington DC: U.S. Census Bureau, June 2003).

¹¹ Jeffrey M. Humphreys, "The multicultural economy 2002: Minority buying power in the new century," *Georgia Business and Economic Conditions*, Second Quarter 2002, Vol. 62, No. 2.

¹² Jeffrey S. Passel, et al. 2004.

¹³ Rachel Bogardus Drew, *New Americans, New Homeowners: The Role and Relevance of Foreign-Born First-Time Homebuyers in the U.S. Housing Market*. Cambridge, MA: Harvard University, Joint Center for Housing Studies, August 2002.