

Garza: The economic case for immigration reform

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Immigration reform is at the top of Washington's to-do list. It's not the first time in recent memory that the issue has received serious attention from lawmakers. But unlike six years ago, when the last bipartisan effort fell apart, it now looks as if there may be the right combination of public support, leadership (public and private) and political will to make sensible reform a reality.

This turnaround, regardless of the reasons for its occurrence, is good. That's because the country's economic vitality and future competitiveness depends on getting immigration right.

Long viewed as the land of opportunity, the U.S. has always attracted a steady influx of enterprising, foreign-born workers who have come here to work, innovate and succeed. Immigrants now comprise 13 percent of our population. It's accepted fact that we are a nation of immigrants and most Americans (54 percent according to a new poll by the Public Religion Research Institute and the Brookings Institution) believe we are stronger for it and nearly two-thirds (63 percent) support an earned path to citizenship for immigrants currently living in the country illegally.

Several recent studies underscore just how significant immigration has been in helping drive U.S. economic success. Consider, for instance, that 18 percent of the companies on the Fortune 500 list (the annual ranking of top American companies by revenue) were founded by immigrants. These 90 companies span all sectors of the economy, generate more than \$1.7 trillion in annual revenues and employ more than 3.6 million people worldwide. They include such recognizable names as Goldman Sachs, AT&T, Google, DuPont and U.S. Steel.

Immigrants also fuel small-business creation, a reflection of the entrepreneurial drive that is typical of an individual who leaves home to start a new life abroad. Eighteen percent of U.S. small business owners are immigrants, according to a study by the Fiscal Policy Institute, and 30 percent of small-business growth over the past two decades has been due to immigrants.

Immigrants are more than twice as likely to start a business as the native born, according to the Partnership for a New American Economy. This is an important insight given that new business generation, which has reached its lowest rate in 30 years of recorded data, is critically needed to spur economic growth and job creation. In 2011 immigrants started 28 percent of all new

businesses, employing 1 in 10 U.S. workers and adding more than \$775 billion dollars of revenue to our GDP, the study found.

Many of the new businesses immigrants start are in the high-tech sector. The National Venture Capital Association reports that a quarter of new venture backed tech companies are immigrant-led. And foreign-born inventors have contributed to more than 75 percent of the patents issued to the top 10 patent-producing US universities, another study found. Moreover, foreign-born students who graduate with a degree in science, technology, engineering or math (STEM) and remain in the U.S. for work create an estimated 2.62 American jobs. We need such graduates in order to retain our global competitiveness and to surmount a looming skills gap.

It's not just high-skilled immigrants who create jobs, however. Every low-skilled, non-agricultural, temporary worker who comes to the U.S. to fill a job that may otherwise be left open creates an average of 4.64 U.S. jobs, according to the Partnership for a New American Economy. These low-skilled jobs are the necessary backbone to support higher-skilled positions and they help raise living standards for all U.S. workers and families.

A host of other facts and studies illuminate the importance of immigration to U.S. economic vitality. Some reveal that immigrants boost tax revenue, enlarge the taxpayer base and help keep down the price of goods. Others underscore the demographic reality that without immigrants, the U.S. will not have enough new workers to support retirees. All clearly demonstrate that our economic strength and future competitiveness depend on immigrants.

To continue to attract and retain those who want to better their lives by coming to the U.S. and contributing to our economy, we must adopt a sensible immigration policy. Our main economic competitors are structuring policies to lure immigrant talent. Without immigration reform, we risk seeing those who would come to the U.S. to work hard and get ahead, innovate and invent, and start and grow companies go elsewhere. Our great country can't afford such an outcome.