

## MORE THAN A “TEMPORARY” FIX: The Role of Permanent Immigration in Comprehensive Reform

by Walter A. Ewing, Ph.D.\*

### EXECUTIVE SUMMARY

The immigration debate once again is dominated by narrow thinking and the search for simplistic solutions to complex problems. Most lawmakers and the press have come to equate “immigration reform” with the question of whether or not enhanced immigration enforcement should be coupled with a new guest worker program that is more responsive than current immigration policies to the labor needs of the U.S. economy. All but lost in this debate have been the calls by prominent immigration reform advocates to improve and expand pathways for permanent immigration as well. But immigration reform will not be truly comprehensive, or effective, unless it recognizes the vital contributions of temporary workers and permanent immigrants alike, and the inadequacy of the current immigration system in providing legal channels for either to enter the country. Both temporary workers and permanent immigrants fill critical gaps in the U.S. labor force, but permanent immigrants are far more likely to acquire new job skills, achieve upward mobility, learn English, buy homes, create businesses, and revitalize urban areas.

Among the findings of this report:

- In 2003, 48 percent of immigrants who were not U.S. citizens and had been in the United States for 3 years or less reported that they spoke English well, compared to 63 percent for those who had been in the country between 7 and 9 years.
- Among non-citizen immigrants from Mexico, the share who spoke English well in 2003 rose from 10 percent for those in the country 3 years or less to 26 percent for those in the country between 7-9 years.
- A workforce composed mostly of temporary workers who leave the country after 6 years would consist in large part of workers who never become highly proficient in English.
- Among non-U.S. citizen immigrants, only 11 percent who had been in the country 3 years or less owned a home in 2003, compared to 37 percent of those who had been here between 7 and 9 years.
- The share of non-citizen immigrants from Mexico who owned a home in 2003 rose from 7 percent among those who had been in the country 3 years or less to 26 percent of those who had been here between 7 and 9 years.
- A temporary-only approach to immigration reform would limit, rather than expand, the number of long-term immigrants who fuel a large portion of the U.S. housing market.
- Temporary workers have an important role to play in the U.S. economy, but they are no substitute for permanent immigrants who integrate into U.S. society, move up in their jobs, and earn higher incomes over time, thus more fully realizing their economic potential as workers, taxpayers, entrepreneurs, and consumers.

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## INTRODUCTION

After years of false starts and missed opportunities, it seemed in 2005 as if the stage finally had been set in Congress for comprehensive immigration reform. President Bush set the tone in 2004 with his proposal for a new temporary worker program coupled with at least some expansion of pathways for permanent immigration. The following year, Senators John McCain (R-AZ), Edward Kennedy (D-MA), and Chuck Hagel (R-NE), and Representatives Jim Kolbe (R-8th/AZ), Jeff Flake (R-6th/AZ), and Luis Gutierrez (D-4th/IL) added their voices, proposing far-reaching reforms of the U.S. immigration system that would bring undocumented immigrants out of the shadows, provide businesses with the workers they need, and allow the timely reunification of immigrant families. But as we enter into a new year, serious doubts have arisen as to whether or not lawmakers finally might enact immigration policies that are realistic, effective, and humane. As in years past, the immigration debate is once again dominated by narrow thinking and the search for simplistic solutions to complex problems.

Most lawmakers and the press now have come to equate “immigration reform” only with controlling undocumented immigration. Even within the confines of this limited discussion, the debate is focused on whether the most effective response to undocumented immigration is enhanced immigration enforcement alone, or enhanced enforcement in conjunction with a new “guest worker” program that is more responsive than current immigration policies to the labor needs of the U.S. economy. All but lost in this debate over border fences and guest workers have been the calls by prominent immigration reform advocates to improve and expand pathways for permanent immigration as well. Yet revamping channels for permanent immigration is essential not only to controlling undocumented immigration, but also to crafting immigration policies that best serve the long-term economic and social interests of the United States. Immigration reform will not be truly comprehensive, or effective, unless it recognizes the vital contributions of temporary workers and permanent immigrants alike, and the inadequacy of the current immigration system in providing legal channels for either to enter the country.

## MOVING BEYOND UNDOCUMENTED IMMIGRATION AND TEMPORARY WORKERS

It is understandable that the immigration debate has focused so heavily on undocumented immigration. The large population of undocumented immigrants in the United States is by far the most visible symptom of the current immigration system’s endemic dysfunction. The United States was home to an estimated 10.3 million undocumented immigrants in 2004, 57 percent of whom came from Mexico and an additional 24 percent from elsewhere in Latin America. The undocumented population grew by roughly 700,000 per year between 2000 and 2004, and 750,000 per year between 1995 and 1999. Undocumented immigrants have come to comprise more than 10 percent of the workforce in industries such as agriculture, building and grounds cleaning and maintenance, construction, and food preparation and serving.<sup>1</sup> Recognizing that undocumented immigration on this scale is socially and politically unsustainable, but that the U.S. economy demands more immigrant workers than current legal limits allow, a growing number of lawmakers accept the need for some sort of immigration reform.

Advocates of reform generally agree that existing legal channels through which temporary workers enter the United States are hobbled by arbitrary restrictions that are unresponsive to actual labor demand. This is true especially for workers in less-skilled jobs, who make up the bulk of the undocumented population. Only two kinds of temporary visas currently are available to such workers: H-2As, which are restricted to agricultural workers, and H-2Bs, which not only are capped at 66,000 per year, but are limited to “seasonal” or otherwise “temporary” work that is so narrowly defined as to exclude many industries. Although the discussion over the shape that a new temporary worker program might take has focused on workers in less-skilled jobs, it is important not to lose sight of the fact that avenues for the entry into the country of workers in highly-skilled jobs also are excessively limited. For instance, H-1B visas for foreign-born professionals are capped at only 65,000 per year.

Many employers and immigrants alike, therefore, could benefit from a new temporary worker program unrestrained

<sup>1</sup> Jeffrey S. Passel, *Unauthorized Migrants: Numbers and Characteristics*. Washington, DC: Pew Hispanic Center, June 14, 2005, p. 4-5, 27.

by these kinds of limitations, provided that it included strong wage and labor protections to prevent abuses such as those which occurred under the *bracero* program of 1942-1964. A steady flow of temporary workers undoubtedly would meet at least some of the labor needs of U.S. employers, particularly in industries which produce jobs that are seasonal in nature or require relatively few formal skills, such as agriculture or hotels and restaurants in resort towns. Likewise, many prospective immigrants would welcome the chance to work legally in the United States for a few years in order to save enough money to build a house, start a business, or buy needed consumer goods in their home countries. In fact, a temporary worker program could restore some of the circularity that characterized a significant share of labor migration to the United States, especially from Mexico, throughout most of the 20th century. This pattern of circular migration was disrupted as the U.S. government began fortifying the southern border in the early 1990s, thus encouraging more undocumented immigrant workers to settle permanently in the United States and bring their families with them rather than risk repeated border crossings.<sup>2</sup>

While most policymakers who favor immigration reform recognize the need for a new temporary worker program, relatively little attention is being paid to the fact that avenues for permanent immigration must be expanded as well if reform is to be effective. Yet a “temporary-only” approach to immigration reform suffers from serious shortcomings, most obviously in the case of undocumented immigrants already in the United States. Roughly 35 percent of undocumented immigrants have lived here for 10 years or more, 1.6 million are children, and another 3.1 million U.S.-citizen children have at least one undocumented parent.<sup>3</sup> As a result, attempting to fit all of the currently undocumented population into a temporary worker program that lacks a pathway to permanent residence raises the specter of serious social and economic upheaval in the communities where undocumented immigrants live and the businesses where they work.

Moreover, a rigid, temporary-only approach to immigration reform fails to adequately address the many factors which continue to drive undocumented immigration. The persistence of undocumented immigration reflects limitations in the existing avenues by which both permanent immigrants and temporary workers can legally enter the country, and serious flaws in family-based as well as employment-based immigration channels. For instance, only one of the five visa “preference categories” for permanent, employment-based immigration is reserved for workers in less-skilled jobs and is capped at a mere 5,000 per year.<sup>4</sup> Moreover, the family-based system is crippled by arbitrary numerical caps and complex rules that impose enormous delays on family reunification. U.S. citizens may obtain “visa numbers” immediately when petitioning for their spouses and children under the age of 21 to immigrate to the United States. But the allotment of visa numbers for all other relatives of U.S. citizens and for all the relatives of lawful permanent residents (LPRs) is governed by a “family preference” system characterized by waiting times of many years. In the case of Mexican nationals, wait times as of January 2006 were about 7 years for the spouse of an LPR and 12 years for the unmarried adult child of a U.S. citizen.<sup>5</sup> Delays such as these are just as powerful in spurring undocumented migration as the dearth of employment-based avenues for entering the country.

Beyond its potential effectiveness in achieving a major reduction in undocumented immigration, a temporary-only approach to reform suffers from much broader limitations. Not all of the U.S. economy’s labor needs can be met by the transient workforce that a temporary program would supply. A temporary program that does not allow particularly valuable or productive workers to remain in the United States would represent a needless waste of talent. Perhaps most importantly, the labor of temporary workers from abroad cannot substitute for the economic vitality and social stability that the United States historically has derived from permanent immigration. Both temporary workers and permanent immigrants fill criti-

<sup>2</sup> Douglas S. Massey, Jorge Durand & Nolan J. Malone, *Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration*. New York, NY: Russell Sage Foundation, 2002, p. 128-29.

<sup>3</sup> Jeffrey S. Passel, *Unauthorized Migrants: Numbers and Characteristics*. Washington, DC: Pew Hispanic Center, June 14, 2005, p. 5, 18.

<sup>4</sup> The cap in fact is set at 10,000 visas per year, but 5,000 of these are reserved for beneficiaries of the Nicaraguan Adjustment and Central American Relief Act of 1997 (NACARA).

<sup>5</sup> U.S. Department of State, “Visa Bulletin for January 2006” (No. 89, Vol. VIII).

cal gaps in the U.S. labor force, but permanent immigrants are far more likely to acquire new job skills, achieve upward mobility, learn English, buy homes, create businesses, revitalize urban areas, and integrate into their communities.

### THE BENEFITS OF A STABLE WORKFORCE

One asset that permanent immigrants bring to the workplace which temporary workers do not is time. With few exceptions, workers acquire more skills the longer they are in a job, thereby making them more valuable employees. This is true even in occupations that require little or no formal training, although chances for upward mobility in many such occupations clearly are limited. Through apprenticeship programs, for instance, construction laborers can gain the skills needed to become plumbers or electricians. Bus boys and maids can, with experience, move on to more supervisory and managerial positions in food service and housekeeping. Over-reliance on temporary workers in industries that employ large numbers of immigrants, therefore, would deprive employers of the opportunity to create a seasoned labor force that becomes more productive and moves up the job ladder over time.

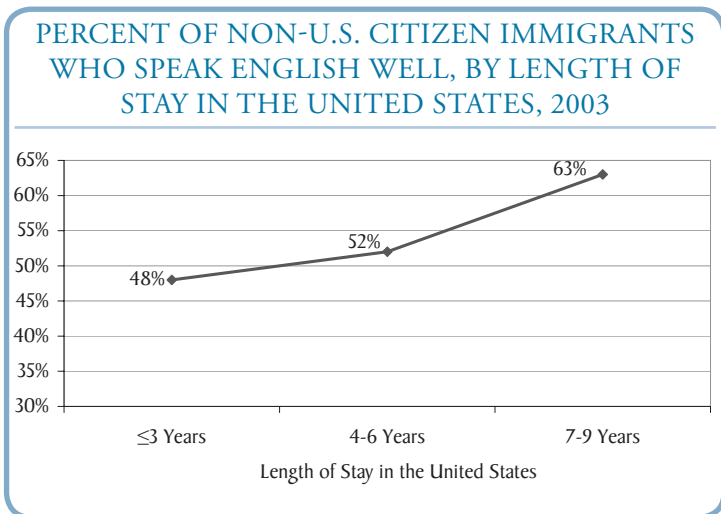
For the vast majority of immigrant workers, one of the most essential skills in virtually all occupations is mastery

of English. This is evidenced by the fact that employers in a wide range of industries provide English-language training in the workplace. However, as with any other skill, command of English increases gradually. According to data from the 2003 American Community Survey (ACS), 48 percent of immigrants who were not U.S. citizens and had been in the United States for 3 years or less reported that they spoke English well, compared to 63 percent for those who had been in the country between 7 and 9 years {Figure 1}. Among non-citizen immigrants from Mexico, which is the largest source of both legal and undocumented immigrants to the United States, the share who spoke English well rose from 10 percent for those in the country 3 years or less to 26 percent for those in the country between 7-9 years {Figure 2}. A workforce composed mostly of temporary workers who leave the country after, say, 6 years (as would be the case under the temporary worker program proposed by President Bush in 2004<sup>6</sup>) therefore would consist in large part of workers who never become highly proficient in English.

### THE BENEFITS OF A STABLE POPULATION

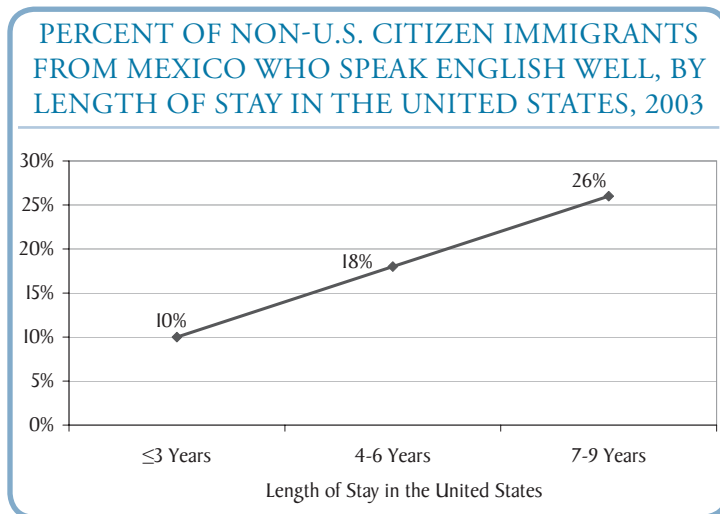
At the local level, permanent immigrants foster economic growth and social stability in ways that temporary workers cannot. Obviously, families with roots have more of a vested interest than transient workers in the creation of safe

Figure 1:



Source: 2003 American Community Survey

Figure 2:



Source: 2003 American Community Survey

<sup>6</sup> The White House, Office of the Press Secretary, “President Bush Proposes New Temporary Worker Program,” January 7, 2004.

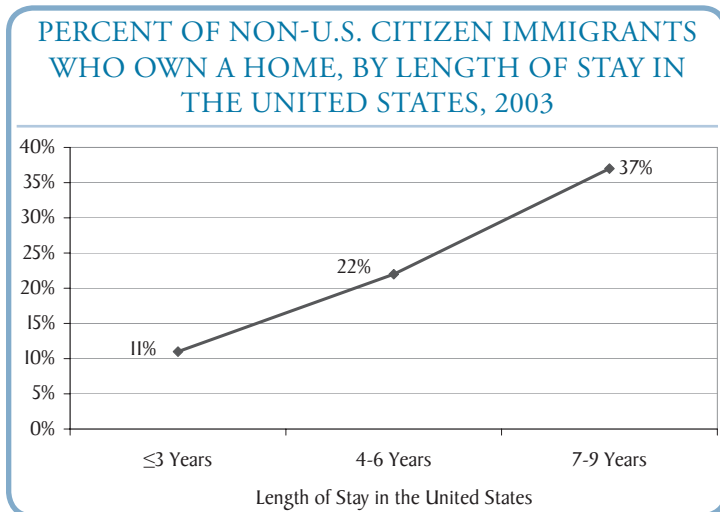
and clean neighborhoods with good schools and public services. More concretely, permanent immigrants are much more likely than temporary workers to make long-term investments in their communities by starting a business or buying a home. These sorts of investments not only create jobs and generate local tax revenue, but represent a stake in the future.

The 2003 ACS data illustrate the degree to which a particularly important indicator of growth and stability, homeownership, is correlated with length of stay in the United States. Among non-U.S. citizen immigrants, only 11 percent who had been in the country 3 years or less owned a home, compared to 37 percent of those who had been here between 7 and 9 years {Figure 3}. Similarly, the share of non-citizen immigrants from Mexico who owned a home rose from 7 percent among those who had been in the country 3 years or less to 26 percent of those who had been here between 7 and 9 years {Figure 4}. The economic value which this increasing rate of homeownership represents is enormous. Data from the American Housing Survey indicate that in 2001 there were more than 5.7 million foreign-born homeowners in the United States, accounting for \$1.2 trillion in home value and \$876 billion in home equity.<sup>7</sup> A temporary-only approach to immigration reform would limit, rather than expand, the

number of long-term immigrants who fuel a large portion of the housing market.

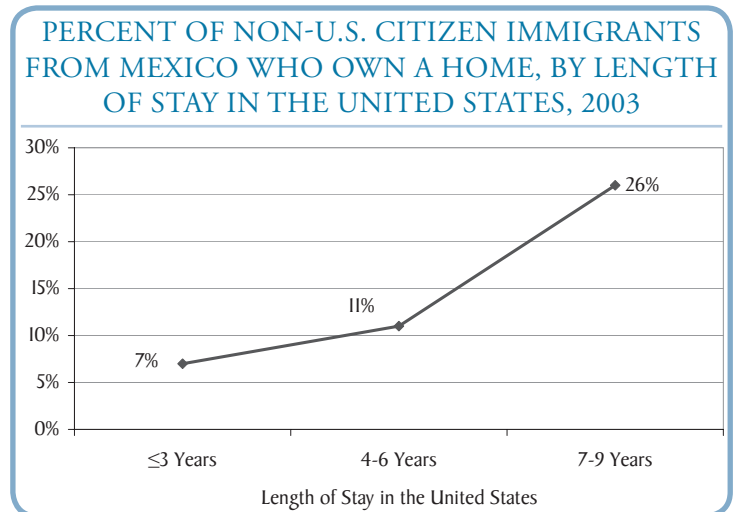
Any reform proposal that ignores the need for more effective channels of permanent immigration would fail to capitalize on the economic potential not only of permanent immigrants, but of their children as well. The children of immigrants in the United States tend to achieve higher levels of education and income than their parents or the U.S. population as a whole, which translates into more tax revenue, increased purchasing power, and higher rates of savings, investment, and homeownership. According to data from the Current Population Survey, while only 67.2 percent of immigrants age 25 and older had a high school diploma or more education in 2004, this figure jumped to 86.1 percent among the children of immigrants – slightly higher than the 85.2 percent for the population in general. Conversely, the share of immigrants with less than a high school diploma was 32.8 percent, compared to only 13.9 percent among their children – lower than the 14.8 percent among the total population.<sup>8</sup> Not surprisingly, this higher educational attainment is associated with higher incomes as well. In 2003, immigrant workers age 16 and older earned an average of \$27,337 per year, while their children earned \$38,418 – higher than the

Figure 3:



Source: 2003 American Community Survey

Figure 4:



Source: 2003 American Community Survey

<sup>7</sup> 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, p. 2.

<sup>8</sup> U.S. Census Bureau, News Release: “Foreign-Born Population Tops 34 Million, Census Bureau Estimates,” February 22, 2005 – Table 5.5, Educational Attainment of the Population 25 Years and Over by Sex and Generation: 2004.

\$35,795 earned by the general population.<sup>9</sup> Clearly, a temporary worker program alone would not reap the benefits associated with the upward mobility that settled immigrant communities achieve from generation to generation.

The economic and social advantages that come with permanent immigration and stable immigrant communities are particularly important in revitalizing many inner cities. During the 1990s, cities such as Boston, Chicago, Dallas, Kansas City, Los Angeles, Miami, and Minneapolis would have lost population if not for the influx of immigrants from Latin America.<sup>10</sup> As a result, both the housing and retail markets of many urban areas increasingly are sustained by the purchasing power of immigrant consumers and the labor of immigrant workers.<sup>11</sup> According to a study released in November 2005 by Harvard Business School Professor Michael E. Porter, “there is a direct correlation between immigrant populations and job growth in inner cities.” Inner cities that experienced the most job growth in the 1990s had populations that were 31 percent foreign-born, compared to 12 percent in inner cities that lost jobs.<sup>12</sup> In locales experiencing high rates of immigration, a temporary-only approach to immigration reform would not provide the settled and upwardly mobile population that is most effective at rejuvenating neighborhoods in decline.

## BACK TO “COMPREHENSIVE” REFORM

The issue of permanent immigration is conspicuously absent from the current immigration reform debate. In his speeches calling for enhanced border security and a new

temporary worker program, President Bush has made only passing reference to increasing “the number of annual green cards that can lead to citizenship.”<sup>13</sup> Scarcely mentioned by other policymakers or the press are the proposed reforms to the system of permanent immigration contained within the comprehensive reform proposals put forward by Senators McCain, Kennedy, and Hagel, and Representatives Kolbe, Flake, and Gutierrez.<sup>14</sup> The immigration-enforcement bill which barreled through the House of Representatives in December of 2005 doesn’t even contain provisions for a temporary worker program, let alone improved pathways for permanent immigration.<sup>15</sup>

Yet correcting the many flaws in the permanent immigration system is crucial to any serious immigration reform effort. A temporary worker program by itself will not “solve” the problem of undocumented immigration, meet all of the labor needs of U.S. employers, or compensate for the massive delays that plague the family-based immigration system. Temporary workers have an important role to play in the U.S. economy, but they are no substitute for permanent immigrants who integrate into U.S. society, move up in their jobs, and earn higher incomes over time, thus more fully realizing their economic potential as workers, taxpayers, entrepreneurs, and consumers. Any approach to immigration reform that relies solely on a temporary worker program, or is so rigid that it precludes valuable temporary workers from pursuing permanent residence, would dilute the many economic and social benefits which permanent immigrants have provided to the United States throughout its history.

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<sup>9</sup> U.S. Census Bureau, News Release: “Foreign-Born Population Tops 34 Million, Census Bureau Estimates,” February 22, 2005 – Table 5.10, Total Earnings of Full-Time, Year-Round Workers 16 Years and Over with Earnings by Sex and Generation: 2003.

<sup>10</sup> Alan Berube, *Racial Change in the Nation’s Largest Cities: Evidence from the 2000 Census*. Washington, DC: Brookings Institution, Center on Urban and Metropolitan Policy, April 2001.

<sup>11</sup> Dowell Myers, “Immigration: Fundamental Force in the American City,” *Housing Facts & Findings* 1(4), Winter 1999 (Fannie Mae Foundation).

<sup>12</sup> Initiative for a Competitive Inner City, Press Release: “Immigrants Fueling Job Growth in U.S. Inner Cities, Study Finds.” Boston, MA: November 15, 2005.

<sup>13</sup> The White House, Office of the Press Secretary, “President Bush Proposes New Temporary Worker Program,” January 7, 2004, & “President Discusses Border Security and Immigration Reform in Arizona,” November 28, 2005.

<sup>14</sup> The Secure America and Orderly Immigration Act of 2005 (S. 1033/H.R. 2330) and the Immigrant Accountability Act of 2005 (S. 1919).

<sup>15</sup> The Border Protection, Antiterrorism, and Illegal Immigration Control Act of 2005 (H.R. 4437).

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