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Playing Immigration Piñata

By Karl Polzer, Center on Capital & Social Equity

Deception and hypocrisy are no strangers to politics. This seems particularly true in recent incantations about illegal immigration. Republican presidential candidates – other than Jeb Bush – mostly want to round up illegals and dump them into Mexico. Donald Trump wants to spend billions to build a massive wall in the wrong place. Not wanting to alienate Hispanic voters, the Obama Administration takes steps toward amnesty and is soft on enforcing laws that would limit illegal immigration.

No one has a problem taking a mighty swing. But no politician really wants to hit this piñata.

The core issue is that America wants to eat its cake and have it too. America wants the benefits of cheap labor from illegals without the cost, inconvenience

and back talk that often comes with the native workforce. Cheap labor from today's illegals tends to depress wages, increase profits, and lower prices for consumers. This is not a new phenomenon. A good share of our country's infrastructure was built on the sweat of un-enfranchised populations, including slaves, indentured servants, wives, and children.

According to the Congressional Budget Office (CBO), between 11 million and 12 million people (about half the non-citizen population) are in the country without authorization, a number that has changed little over the past few years.

Noncitizens are much more likely than citizens to be of working age and much less likely to be 65 or older. They are also significantly more likely to lack a high school diploma or GED. Interestingly, noncitizens are about as likely to have a master's or more advanced degree.ⁱ Not only do noncitizens compete for jobs at the bottom end the income scale, there are recent objections that government incentives to hire foreign workers are crowding out jobs for native technology workers.ⁱⁱ

According to CBO, unauthorized workers pay taxes and don't qualify for many government benefits. And many pay into Social Security without collecting a penny. So what's to complain about? Illegal immigrants' participation in the work force creates a small net gain for country, but substantially hurts native workers at the bottom of the economic spectrum. According to Harvard University economist George Borjas, by increasing the supply of labor, illegal immigration "reduces the wages of native workers by an estimated \$99 to \$118 billion a year, and generates a gain for businesses and other users of immigrants of \$107 to \$128 billion."ⁱⁱⁱ

Low-income Americans are the most impacted by the nation's melodramatic tolerance of illegal immigration – including unskilled laborers, service workers, and students seeking work to help pay for their education and cost of living. According to Borjas: "Immigration has its largest negative impact on the wage of native workers who lack a high school diploma, a group that make up a modest (and, in recent decades, shrinking) share of the workforce. These workers are among the poorest Americans. The children of these workers make up a

disproportionate number of the children in poverty: 24.8 percent of all children of the native-born working poor live in households headed by a high school dropout.”

It’s no surprise that those affected most by illegal immigration have the least political power. In contrast, American consumers and employers who benefit from low-cost and un-enfranchised labor can exert considerable political leverage – particularly employers. That is one reason that politicians typically swing and miss in the game of immigration piñata. God forbid they hit the mark and do something to offend employers, spurring their lobbyists into action.

Like millions before them, today’s illegals come to America to find work. Their motivation aligns well with core American values. If America were serious about controlling illegal immigration, the logical and least expensive place to start is the workplace. That is, the government would begin requiring employers to use a computerized system to identify those with, and without, proper work credentials and impose substantial fines against businesses that repeatedly hire illegals.

The federal government created such a system, called “E-Verify,” in 1997 as a pilot program to prevent illegal aliens from obtaining employment in the United States. Since 2007, all federal contractors have been required E-Verify. Some states have passed legislation making the system mandatory for certain businesses; others require all employers to use it.

E-Verify compares information from an employee's [Employment Eligibility Verification Form I-9](#) to data from U.S. government records. If the information matches, that employee is eligible to work in the United States. If there is a mismatch, E-Verify alerts the employer and the employee is allowed to work while he or she resolves the problem; they must contact the appropriate agency to resolve the mismatch within eight federal government work days from the referral date. The program is free and operated by the Department of Homeland Security in partnership with the Social Security Administration.

Donald Trump and others want to build a wall to control illegal immigration with the wrong materials and in the wrong place. But then again, he’s in the

construction business. Before going to that expense, a far cheaper and more effective barrier could be shored up in the workplace.

Adding teeth to the E-Verify system makes sense. If people can't find jobs here, not many will come.

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ⁱ “How Changes in Immigration Policy Would Affect the Federal Budget,” Congressional Budget Office, Jan. 15, 2015. <https://www.cbo.gov/publication/49868>

ⁱⁱ See “Work in BigTech for Hire: Americans Need Not Apply,” Ian Smith, National Review, Aug. 24, 2015. <http://www.nationalreview.com/article/422943/technology-industry-foreign-workers>

ⁱⁱⁱ “Immigration and the American Worker: A Review of the Academic Literature,” George Borjas, Center for Immigration Studies, April 2013. <http://www.hks.harvard.edu/fs/gborjas/publications/popular/CIS2013.pdf>