

Senate Judiciary Committee
Subcommittee on Immigration, Citizenship, and Border Safety
Hearing: “The Essential Role of Immigrant Workers in America”

Questions for the Record
Senator Tillis

Questions for Dr. Douglas Holtz-Eakin

1. What would be the economic impact of providing permanent status to the over 5 million illegal immigrants and guestworkers covered in this bill?

The economic impact will be modest. Since those here illegally already have the opportunity to work, providing permanent status will not appreciably change the size of the labor force or employment. There will be a slight improvement in the quality of matches between employer needs and worker skills that would generate a light improvement in productivity.

2. Do you think this legislation properly defines “essential workers”? Or do you agree that this is an extraordinarily broad definition?

This is an extremely broad definition of “essential,” excluding essentially no worker from being considered essential.

3. Do you think that providing citizenship to temporary guestworkers is good policy? Doesn't this seem to defeat the purpose of temporary guestworker programs?

Permanent visas with a path to citizenship and temporary visas that permit guest workers are two separate classes of immigrants. Each may have a role in a well-designed visa system, but there is no reason to connect them in this way.

**Questions for the Record
Senator Amy Klobuchar**

Questions for Dr. Douglas Holtz-Eakin

1. In your written testimony, you state that “Visa reform is among the most potent pro-growth economic reforms,” and go on to cite one of my favorite statistics – that “first- or second-generation immigrants have founded over 40 percent of Fortune 500 companies, and over 50 percent of Fortune 500 technology companies.”

Your testimony also cites a study that found that “U.S. economic growth between 1990 and 2016 would have been approximately 15 percentage points lower in the absence of immigration because immigrants improve both the quantity and quality of labor.” Can you explain the benefits of immigration to native-born workers and the economy more broadly?

The empirical evidence on this issue is quite clear. Compared with the native-born, immigrants work more (have higher labor force participation and more hours) and retire later – they raise the quantity of labor inputs in the economy. They also may arrive with more skills than the native-born, raising the quality of labor as well. Immigrants have a greater propensity to start new firms, creating jobs, products, technologies, and innovation in the economy, from which the native-born workers benefit.

2. Your written testimony states that “Legalization of the undocumented can also improve economic performance.” Can you briefly explain why a pathway to citizenship would be good for the economy?

The economic impact of legalization is far more modest than that of additional immigration (see above). The primary gain is from allowing free movement in the labor market, permitting a better matching of skills with employers’ needs. This will raise somewhat the productivity and real wages in the economy.