

Why more skilled immigration would be good for American workers, too

- **By Emily Badger**
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In a certain, dreary light, right now seems like a terrible time to rewrite immigration law to invite tens of thousands of new skilled immigrants to move to the United States. Unemployment is still high. The recovery feels painfully slow. At last count, [10.5 million people](#) who already live here and who've been looking for work haven't been able to find it.

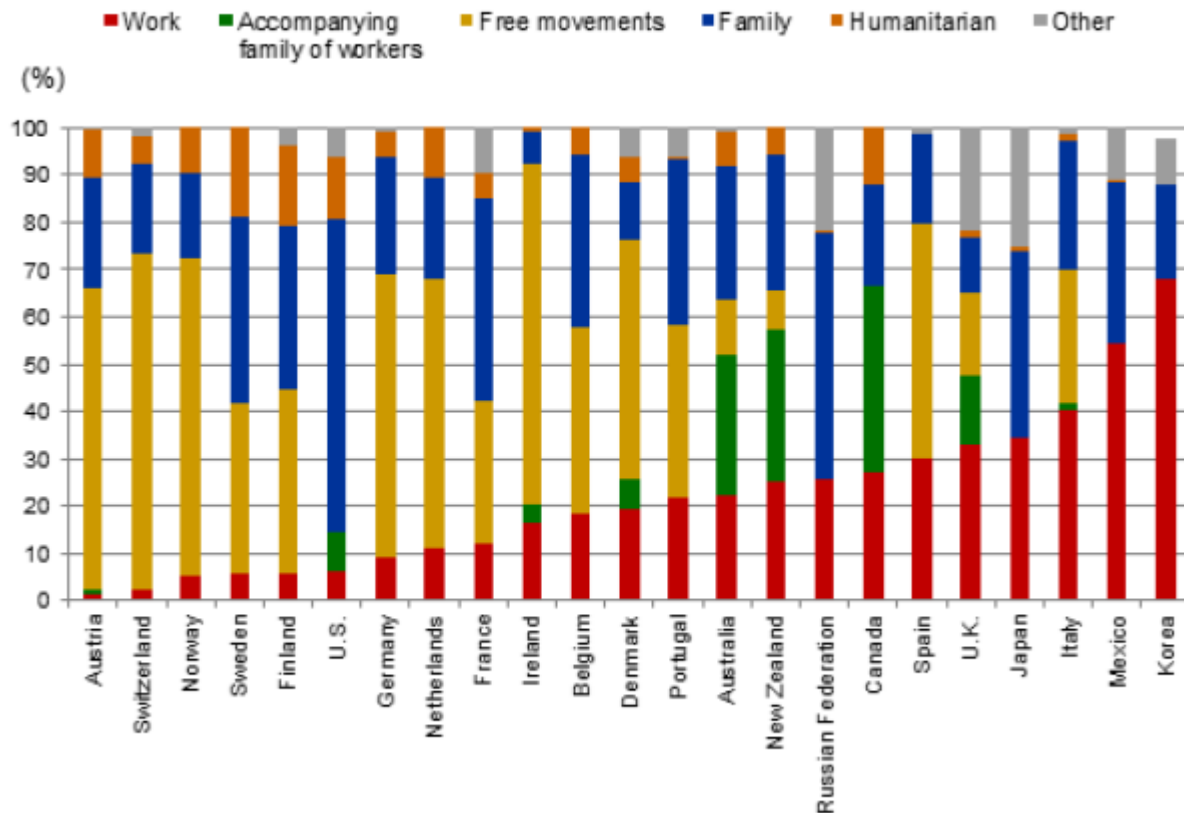
"I think people are scared," says Beth Ann Bovino, the U.S. Chief economist for Standard & Poor's. "There are a lot of misconceptions about what it means when we have immigrant talent come to the U.S. I completely understand the worries about 'are we going to bring all of these people over? Are they going to take our jobs?'"

But, she argues, the opposite is actually true: employment-based immigration reform would be a boon for the sluggish U.S. economy, temporarily easing the country's "skills gap," driving new innovation, tax receipts, consumer demand, and even job growth for native-born workers. By Bovino's calculation in a new S&P report, immigration reform targeting skilled foreign workers could add 3.2 percentage points to real GDP in the U.S. over the next 10 years. Over the same time period, it could cut \$150 billion from the deficit. Immigrants with employment-based visas, she argues, wouldn't "take our jobs" – they would complement them.

Much of the debate around immigration reform has focused on the question of how to legalize undocumented workers who are already here, not how to structure legal immigration going forward. But part of the reason why the U.S. would benefit so much from welcoming more skilled foreigners – U.S.-educated engineers, scientists, the founders of the next 10 Googles – is that U.S. policy has allowed in so few of them thus far.

Unlike most OECD countries, U.S. policy is largely geared around family-based immigration, not work-related visas:

Permanent Inflows By Category Of Entry, 2010



© Standard & Poor's 2014. Source: "Trends in Migration," OECD Factbok 2013.

S&P

No doubt, Bovino suspects, many of the STEM students educated at U.S. universities who can't get visas to stay and work here wind up in some of those other countries. The 10 countries above with the greatest inflow of work-based immigrants had an average real GDP growth of 3.1 percent in 2010.

But why wouldn't the arrival of all these new hypothetical skilled workers come at the expense of workers already here? Bovino points to the gap between businesses looking to fill high-skilled jobs and an education and training system that isn't producing the right workers to take them. Importing foreign workers to fill the U.S. skills gap obviously isn't a long-term solution for that imbalance. But it would help in the short term, while also bringing in younger workers to help pay for and offset an aging U.S. population.

Highly skilled immigrants also help create jobs by starting new businesses that employ U.S.-born workers. Intel, Google, Yahoo, eBay, Skype, Tesla, PayPal, and YouTube were all founded by immigrants (albeit some immigrants who were brought here by their parents). In 2012, they collectively hired about 560,000 workers.

We also tend to talk about immigrants as if they had an impact solely on the labor supply, and not on consumer demand as well. "We all buy stuff," Bovino says. "We all need to fill our homes. Most of the time, we either get married or have families, and when we have families that costs a heck of a lot."

High-skilled immigrants surely need to buy real estate, too.