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THE IMMIGRANT WORKFORCE AND THE FUTURE OF U.S. IMMIGRATION POLICY

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P R O C E E D I N G S

MR. HART: All right, I think we're ready to start—great. My name is David Hart. I teach at the School of Public Policy at George Mason University and it's a pleasure to welcome you all here to Brookings on behalf of the Governance Studies Program and the Metropolitan Policy Program.

Last February I participated in a panel here with some of the other folks on the stage on the subject of high scale immigration and today we have a much broader theme, which is immigration and the American workforce and the future of U.S. immigration policy.

The panel is co-sponsored by the Carnegie Corporation and the Partnership for a New American Economy, and we want to thank them for their support.

I'm going to briefly introduce our panelists and then lay out the forum and then we'll go right to it.

So, our first speaker today will be Audrey Singer, who is on my left. She's a senior fellow here at the Metropolitan Policy Program. Audrey is a demographer and a specialist in immigration -- U.S. immigration policy, international migration, and urban and metropolitan change and is the coeditor of a book on new immigrant gateways looking at new locations of immigration settlement in the U.S.

The second speaker will be Darrell West, to my right here. He's the vice-president of Brookings and the director of the Governance Studies program. His work is on technology, mass media, campaigns and elections, and public sector innovation. But through that work has gotten interested in immigration policy and has a book that came out in 2010 called *Brain Gain*.

The third speaker, to my left two seats down, is John Wilhelm. John is the president of UNITE HERE, which is a union that represents workers in the service

sector and manufacturing sector. He's been in that position since 2009. Before that he was the president of the HERE part of UNITE HERE, that is the Hotel Employees and Restaurant Employees Union and he's been working in the labor movement since the 1960s. He's also a member of the AFL-CIO Executive Council and a board member here at Brookings.

The speaker after John will be Scott Corley. So, he's three seats down. He's the executive director of Compete America, which is a coalition of companies, universities, research institutions, and trade associations which advocates for reform of U.S. immigration policy for highly educated foreign professionals. He came to Compete America from Microsoft and before that he served in a number of senior staff positions on Capitol Hill on both Senate and House sides of the Hill.

And then our cleanup hitter is Lindsay Lowell from Georgetown. He's the director of Policy Studies at the Institute for the Study of International Migration where he works on immigration policy, labor force, and economic development, both domestically and globally, and as worked on a whole range of pertinent subjects for today's panel including H1Bs, the STEM Pipeline, that is Science, Technology, Engineering and Math labor among other things. Before he came to Georgetown he worked in a number of research positions both inside and outside of government, including a stint as the director of research for the Jordan Commission that is the commission on immigration reform which was appointed by Congress in the 1990s.

So, we've got a great panel and each of them is going to kick off with about five minutes of remarks and then we'll have a moderated discussion for another 20 or 30 minutes, and then we'll open it up for questions.

This event is being webcast live, so I should welcome our viewers over the web and let them know and the audience as well that we're going to have a Twitter

hashtag #BIWORKER if you have a question, either in the room or out there in cyberspace you're welcome to Tweet it in and the Brookings staff will relay that up to us.

We'll also have, obviously, normal question and answer from the audience. So, with that, I'm going to turn it over to Audrey and let her kick us off.

MS. SINGER: Thank you very much, David, and welcome everybody. I'm really glad you're here. It's July 31st, not a great time to be working. We should all be on vacation, but maybe that's what August is for.

I want to start the conversation today with some trends and numbers on immigrant workers in the U.S. labor force from a report that I put out in March that looks at these issues at the national level, and I'll say a bit about the implications of those numbers for the workforce going forward.

We have an immigration system that admits the majority of immigrants based on nothing more than close family ties to citizens or legal residents in the United States and that number has been running about a million per year for the past decade.

Less than 10 percent of those admitted with green cards have ties to U.S. employers and another 10 percent are refugees, but we also admit over two million non-immigrants or temporary immigrants for work, schooling, and business purposes each year and so we have a lot of people who were born abroad circulating annually.

In addition, before the recession brought immigration to a near standstill, about half a million people were entering the United States per year who were not authorized to be here and the net increase of the illegal immigrant population is estimated to be close to zero now.

Recently, two major events have reshaped the conversation around U.S. immigration policy and I'll talk a little bit about that just to get the conversation started and I know we're going to talk a lot about policy today.

So, the conversation has moved closer towards how to better match immigration policy with economic needs, current economic needs and future economic growth. So, the first of these two major events is the failure of Congress to overhaul our immigration laws, which was last debated in 2007. Much of that discussion has centered on border enforcement and illegal immigration and what to do about the estimated 11 million people living in the United States without legal status.

The second is the slow economic recovery we're facing after the worst recession in the post-World War II era. How to grow jobs and how to lower unemployment rates is a conversation that's taken center stage, and rightly so. I want to point to a third major issue that's shaping our future workforce: the changing demography of the U.S. population.

We have two parallel structural changes that will unfold over the next two decades that will radically transform the composition of this country with major implications for our workforce. The biggest influence on our population will come from the aging of the Baby Boomers who began turning 65 last year and will significantly age the U.S. population for the next two decades. I know that's a sensitive topic among a lot of people in this room.

Combined with the aging and retirement of the Baby Boomers is the relatively fast growth of immigrants and their children during the past several decades. Not only has that changed the race, ethnic, linguistic, and other characteristics of the U.S. composition -- for example, currently one in four kids is Latino -- virtually all of U.S. population and labor force growth over the next 40 years will come from immigrants and their children, and that's an estimate that comes from Jeff Passel from the Pew Hispanic Center.

So, the implications for the U.S. labor force, which would begin declining

in 2015 without immigration, are pretty clear. This next generation and the one that follows are vital to the nation's productivity and global competitiveness, and a significant share of these workers is immigrants and their offspring.

So, my job this morning is to lay out some of the national numbers to provide a foundation for today's discussion. I'll rely primarily on an analysis I put out, as I mentioned, in March, it's on the Brookings website. I focused on eight industries that have an over-representation of foreign-born workers. By over-representation I mean the share of immigrant workers in those industries is greater than the 16 percent found in the workforce overall and those industries are: accommodation, agriculture, construction, food services, healthcare, high-tech manufacturing, information technology, and life sciences.

For the most part, these industries are closely associated with immigrant workers, at least in the public's mind, and 37 percent of workers overall in these industries were foreign-born in 2010.

Immigrants are a growing segment of the labor force. Over the past couple of decades foreign workers in the labor force have grown from about 5 percent in 1970 to 16.5 percent in 2010. Immigrants made up about 40 percent of the growth of the labor force between 2005 and 2010, which was a smaller share than in the preceding five years when immigration was even higher, and in that period they represented two-thirds of the U.S. workforce growth.

Immigrants in the data collected have different educational profiles, so there's a much higher share of working age adults who have not completed high school among the foreign-born than among the U.S.-born, although in absolute numbers there're more or less half-half. So, 29 percent of immigrants have not completed high school, those are, you know, people -- foreign-born persons currently in the United States without

regard to their legal status and how they entered the United States compared with 7 percent of the U.S.-born. And in part this reflects demand for workers in certain industries, such as food services and agriculture, but it also reflects the rising educational standards and aspirations of the United States.

Immigrants are nearly as likely to have a college degree as the U.S.-born, about 30 percent of the foreign-born and 32 percent of the U.S.-born have at least a BA and are just as likely to have a graduate degree.

The U.S. labor market is both the skills incubator and a skills magnet, so international students are drawn to the U.S. for study and many stay on after graduation. Others are educated elsewhere; find jobs in the U.S. because of the lack of opportunities in their home countries and the better prospects here.

Immigrants are over-represented in industries such as information technology, life sciences, healthcare, and high-tech manufacturing. In these industries workers in the STEM field, science, technology, engineering, and math, are more likely to have readily transferrable skills than those in other fields, particularly those that require some U.S.-centric legal, business, or cultural skills.

So, educational attainment levels of immigrants in these sectors that tend to draw higher skilled, higher educated workers, are keeping pace or exceeding U.S.-born counterparts. Virtually all have at least a high school diploma and the majority have some post-graduate training or degree.

In sectors such as agriculture, foodservices, and construction, most of the immigrant workers are low skilled. Foreign-born workers made headway into these jobs because they're typically low paying and perhaps seen as undesirable by U.S. workers. In these sectors the educational attainment profiles of foreign-born workers and native-born workers diverge, particularly in agriculture and accommodation.

So, for example, in the agriculture sector, three quarters of all immigrant workers have not completed high school while nearly three quarters of U.S.-born workers have a high school -- at least a high school diploma. In accommodations, the majority of foreign-born workers have back of the house jobs; that's maids, cleaners, and cooks, while native workers have front of the house jobs as managers and desk clerks and the like.

Immigrants are well represented, and I think this is an important thing to consider even though many of us on this panel probably don't believe strongly in projections, I'm thinking about Lindsay here and others I've had conversations with, but if you look at how the Bureau of Labor Statistics projects which occupations are likely to grow the fastest or the most in the next ten years, many of those jobs are currently filled in high proportions by immigrant workers.

So, in terms of fast growing jobs that are lower skilled in the construction sector, for example, and we'll see how that industry bounces back, two-thirds of iron and rebar workers, one-third of helpers to brick masons, marble setters, carpenters, and pipe-layers, were foreign-born. In healthcare, home health aides, personal care aides, and nursing aides, these are three of the occupations projected to grow in the largest numbers over the next ten years are already one-quarter foreign-born nationwide.

And it's likely that these occupations will continue to attract immigrants as they grow in the next decade and beyond.

But the national numbers can also obscure how this plays out across regions and metropolitan areas. Some markets have much higher shares of immigrant workers and occupations at both the high scale end like computer occupations, engineers, and life scientists, physicians, and also at the low skill end, with home healthcare attendants, other healthcare support, and childcare workers. And I have a

recent paper that looks at the geography of immigrant skills across metropolitan areas that is also available on the web that I don't have a lot of time to talk about but it's interesting to see how underlying industrial structures in metropolitan areas in those markets draw different kinds of immigrants at different rates.

So, large questions remain about immigration policy, especially what kinds of tweaks would do the best things to the U.S. economy while fairly protecting native workers, how do we make sure the U.S. has the workers it needs, domestic or foreign, to make sure we have enough to compete in a globalized economy with a globalized workforce, and we're going to talk about policy so I'm not going to go into a discussion here, but I'll wait until David starts that discussion later. Thanks.

MR. HART: Thank you, Audrey. Our next speaker is Darrell West from Brookings Institution.

MR. WEST: Okay. Thank you, David. So, Audrey was mentioning the challenges going forward and the difficulties that we face in terms of comprehensive immigration reform, and I think one of the biggest barriers to reform has been the bad economy. You know, it's been hard to argue in favor of immigration reform during a period of high national unemployment. You know, one of the most common arguments against reform is we have 8, 9, or we've had up to 10 percent national unemployment and so the argument is we don't really need immigrants in that situation when current Americans can't find jobs.

But what a lot of people don't realize is that even during periods of high national unemployment, we have worker shortages in many fields. So, I'm working on some research about this seeming paradox in which I look at government employment data, industry job outlooks, and interviewed a number of company officials. I looked at different industries and found that many areas are having difficulty filling positions and

that this is constraining economic growth and overall competitiveness.

Now, this is a familiar story in the information technology area. We've been hearing about this problem for years. Microsoft, for example, reports that it has over 4,500 unfilled job positions and difficulty hiring scientists and engineers. The company reports that it takes an average of 65 days to fill the typical position in the company.

But this worker shortage problem is also true in other industries. For example, the healthcare area, there are doctor and nursing shortages in many different specialties. There's a survey of hospital chief executives that found that 65 percent of those hospitals were seeking more physicians, 41 percent wanted more surgeons, and 28 percent need more OB/GYN doctors.

It also found a shortage in the areas of occupational therapists, registered nurses, and pharmacists.

An American Hospital Association survey estimated that we faced a shortage of 116,000 nurses in community hospitals and an analysis of current population surveys through the U.S. Census Bureau reveals that we expect a shortage of over 260,000 registered nurses by the year 2025.

So, this is a big problem that's going to get worse. Our schools are not producing sufficient numbers of graduates in these particular areas.

When you look at the area of manufacturing, like even in 2010 during the height of the great recession, American manufacturers reported 227,000 open jobs, which was double the number in 2009. In agriculture, we have difficulty finding people to harvest fruits and vegetables, these often are jobs that Americans don't want. I can appreciate this since I grew up on a farm. It's very physically demanding, it's hard work; you're out in the hot sun doing that, although in my case it created a great incentive. My

goal in life was to find an inside job with no heavy lifting and at Brookings I found that, so it worked out okay for me.

When you look at the restaurant area, the problem with hiring waiters and dishwashers, you know, many workers in this sector comes from the 16- to 24-year-old age category and that demographic group is only expected to grow 4 percent over the next decade, but yet the need for food service workers is going to rise 11 percent over the next ten years. There are going to be openings for 1.3 million new workers over the next decade.

And in the hotel industry, we can't find enough front desk workers and housekeepers. Marriot, for example, has forecast job growth of 6 percent this year to around 212,000 positions. The company says it plans to add 15,000 rooms in the United States alone this year and the company says it's having difficulty hiring workers in the culinary area, in sales, and in marketing.

And so, when you add all of this together across a wide variety of companies and a wide variety of industries, you know, if companies can't get the workers they need, they can't add the jobs and expand their businesses the way that we need given our current economic situation.

So, I argue in my research that we need a new narrative in which we suggest that immigration is vital to economic development. In my book *Brain Gain* I actually put a picture of Albert Einstein on the cover of the book in order to remind all of us about the many contributions that immigrants have made to many different aspects of American life.

We all know that Intel was founded by a Hungarian immigrant, Google was cofounded by a Russian, Yahoo was established by someone born in Taiwan, and eBay was started by someone from France. What would the American economy look like

today if Intel was a Hungarian company, Google was based in Russia, Yahoo was a Taiwanese company, and eBay was French? Obviously our economy would be much weaker. So, I suggest that we really need to think about an Einstein principle for immigration reform and we need policies that help create that type of reality.

MR. HART: Thank you, Darrell. Next speaker is John Wilhelm from UNITE HERE.

MR. WILHELM: Thank you. I think those are two great presentations to begin the discussion. Sometimes we think facts speak for themselves but Audrey's work and Darrell's help the facts to speak, and the facts, in my view, overwhelmingly argue for comprehensive immigration reform in this country.

And by comprehensive, I think it's extremely important that we not fall for the notion that there's high skilled immigration and there's low skilled immigration. I think that's misleading in two different ways. First of all, there's a tremendous spectrum of skills that are involved in our workforce and in the immigrants who come to fill the positions in our workforce.

Audrey said that most of the growth in the American workforce over the next 40 years will be from immigrants and she said the children of immigrants, I would broaden that slightly to immigrant communities.

If you think about the hospitality industry where our union represents workers, you probably could realize that the American hospitality industry couldn't open its doors without immigrants and the immigrant community to fill so many of the jobs, but that's not just true, as people sometimes think, of the hospitality industry and maybe the agricultural industry, maybe the janitorial industry. You could not, for example, open the doors of most big city American hospitals without immigrants.

Immigrants are throughout our workforce and so if you think about what's

high skilled and what's low skilled, how would you categorize, for example, RNs? How would you categorize what used to be called LPNs, which are now called CNAs, I think? How would you categorize people who read X-rays? Are these high skilled jobs or low skilled jobs? I don't know. And I think we act with peril to our economy if we make an artificial distinction in terms of our immigration policy about what's high skilled and what's low skilled.

I would also suggest that we're wasting human capital if we do that. I know, for example, that there are many people that work in the hotel and food service industries who have a great deal of professional or technical training that they acquire in their home countries who can't make use of that technical and professional training because our immigration laws are so screwed up. I could give you an endless list of examples of people who are working in hotels today who are lawyers, doctors, nurses, and all kinds -- like, computer people, and all kinds of other technical and professional training.

So, I think it's imperative for our economy that we take a look at comprehensive immigration reform and not think that we're able to be so precise in the policy arena that we can carve out chunks of the immigration issue that will be the most beneficial to the economy.

The other area that I'd like to comment about is the prospects for comprehensive immigration reform. I'm both an optimist and a pessimist on this issue. I think the question of whether we can do comprehensive immigration reform or, indeed, any immigration reform, in the short-term, depends almost entirely on the outcome of the elections this November. If the extremist wing of the Republican Party prevails, and they're coupled with the spineless wing of the Democratic Party, then there are no prospects for short-term immigration reform. And I think that would be bad for the

economy.

On the other hand, I think the demographics that Audrey and Darrell have talked about say that the political party or the political faction that is on the wrong side of immigration reform is doomed. You know, it was Karl Rove who said that in order for George W. Bush to win the 2004 election, he needed at least 40 percent of the Latino vote. You know, because voting statistics are not as broken down as we might like them, in political discourse, Latino vote serves as a cipher for the immigrant vote. So, George W. Bush, in fact, got 44 percent of the Latino vote and won, and that was a high water mark for Republicans.

I personally don't see how Mitt Romney wins if he gets 20, 25 percent of the Latino vote which is where he's polling these days.

Over the next 20 years, politically speaking, the immigrant community will have the same kind of impact on politics that Audrey described, in the workplace. Now, we're not really here for a political discussion but the political discussion relates directly to the prospects for comprehensive immigration reform. I don't think there's any question or doubt that we'll be forced, both politically and economically, to do comprehensive immigration reform in the next ten years. Again, whether we can do it in the short run depends on the outcome of the elections that are coming up.

But I think a great deal of the determination of whether or not we're going to do comprehensive immigration reform sooner than later rests with the business community. You know, in the post-9/11 era, the last good chance we had for some -- and you could debate the details -- but for some reasonable form of immigration reform, was Kennedy-McCain. The business community said that it supported -- in the main, said that it supported Kennedy-McCain but put zero political capital behind it, zero political muscle behind it, and so we couldn't get the handful of Republican votes that we needed in order

to pass it.

Now, in hindsight, that was the high water mark for comprehensive immigration reform's political possibilities post-9/11. The business community, by and large, says the right things about immigration reform, particularly when it forces itself to talk about comprehensive reform and not whatever little piece a particular industry thinks it needs, but so far the business community has not only put zero muscle behind that, but has been unwilling, as have a lot of other people, to stand up to the extremists on this.

This is an economic issue that has got to be solved in this country and as the great Yogi Berra said, "It's déjà vu all over again." We all know that in American history our economy, our culture, our politics, our standing in the world, has been successively revitalized by waves of immigrants and yet, we're back at the same stand now, where somehow we can't learn from our history, we can't learn that we're a better, stronger, more vital, more energetic country with a better reputation around the globe when we're welcoming. And so we have to fix this issue and in the short run it depends on the elections, and in the longer run it depends on the business community.

If we haven't fixed it 10 or 15 years from now, there will be a complete political realignment in the country, and if you think that's a rash statement, look at what happened to the politics of this country between 1900 and 1940. Thank you.

MR. HART: Thanks, John. Next speaker is Scott Corley from Compete America.

MR. CORLEY: John, I know you're excepting present company on those business community comments.

MR. WILHELM: Well, actually I wasn't, Scott, but that's why we have fun here.

MR. CORLEY: I know. I know. It just can't be always so sweet and

nice, can it?

Well, I mean, I agree a lot with what Darrell said and I don't want to rehash sort of the value of immigrants in our economy. I think we could all talk about anecdotal situations. And what I wanted to talk about in this portion of our discussion today is an area I don't get to talk about a lot. I am primarily a government affairs specialist, and specifically a strategist for passing legislation on the Hill, but I have a background in economics as well. It's an extremely beneficial tool if you want to do work in the Capitol.

What I wanted to start with, I think, ties a little bit to what John was saying, and that is -- I think what he's really saying is there's a common sense element to a lot of this that your experience tells you and one of the places that I went to look in sort of thinking about what I wanted to say to this audience today, I went way back to undergrad and found Hayek. Hayek was dealing with the problem of efficient capital allocation and in particular, while Hayek was writing in the '40s, there was a movement called the Soviet Movement in a country that became a Cold War opponent to the United States; that every good, strong economist was trying to work through. And Hayek's seminal paper is called *The Use of Knowledge in Society*, 1945. You can read it, you need to if you haven't, or if you don't remember it -- most of you are political science junkies, you probably did read it.

I'll summarize it in his own words. The problem is the utilization of knowledge that cannot be known by anyone in its totality. In other words, we have an information asymmetry problem that makes central planning in our society a very, very difficult thing to do. And raw statistics are very useful tools. I'm an economist by training, I was trained right next door at Hopkins, but I think let's not overstate the importance of those statistics in understanding fundamentally how to efficiently allocate.

What I think Lindsay and I are going to strangely agree on today is this information problem, that for businesses who are doing it right and trying to hire people into their companies, what Hayek says, and it still holds true today, he won a Nobel Prize regarding these capital distribution issues in '74 -- what Hayek says is, the relative importance of those decisions are made up by a million different people in a free market system. It's the same reason Brownian motion works in high finance. Brownian motion is a physics concept Einstein perfected that's part of every -- Black-Scholes has Brownian motion as an underpinning. It's basically, you have a bunch of things moving in a certain direction, you don't know which direction they're going to go, but you can predict how far above and below a certain price or a certain range that they'll exist in, you can have some predictive ability in terms of how good or bad it's going to be, but you can't tell which direction it's going to go in the future and that's why people do hedging based on that concept.

A million different inputs make up planning for the U.S. economy and for our companies, what we're hearing from them, is that the ground level, in spite of criticism from different groups in Washington, different groups from outside Washington -- and I'm not in any way saying that their passion is misplaced or that we should accept a certain amount of loss in our system -- that's not in the nature of American democracy, it's in the losses that we typically fight in Washington.

But what I am arguing is that companies are going to have an advantage in understanding the relative importance of the people that they hire and from a policy debate standpoint, the government's solutions will always be overly broad, they'll always be overstated in terms of predictive ability.

I'm an information junkie. I love to read the studies that Brookings does. I think they're extremely valuable. But as a policy solution, we need a demand-driven

outcome. I think the information problem also applies to where the issues lay, so when people talk about workers coming to this country to take away jobs, you'll typically find an anecdotal answer, not a truly significant statistical answer. That's a real experience that people are having.

They're using their own common sense as well and that is driving a passion and advocacy against, you know, some high skilled labor issues, some other types of labor issues -- we will not refer to them as low skilled -- and if we can kind of start to think about solutions that take into account that information problem that Hayek says is a permanent part of any functioning capitalistic society, then we might start to get on the right track to solving some of the other worries that people have about substitution effects and complimentary wage effects.

So, point number one, I know it's a little bit off the normal topic that people talk about, but it actually leads to another point that I think speaks directly to this artificial definition problem. The artificial definition between high and low skilled labor is a politically driven definition. Everyone in the highly skilled arena understands that.

I think the obsession that some people have with what I would describe as negative externalities as a result of additional workers in the economy, to put it in English, people have a problem with additional workers coming in, it's going to lower the average wage, right. You've got more people; you're going to have lower wages. It's -- that negative externality is not necessarily true, but it's an externality. It's not the underpinning for having the workers here in the first place. This is a capital labor issue. That's the reason the system was set up and the workers that we bring in as companies, whether it's a highly skilled company or a company that's looking for hospitality workers, those workers that we bring in, fundamentally, at the point of recruitment, are meeting a capital requirement in terms of the way that they act within that model.

Without them, you don't hire the additional labor in the U.S., you hire it somewhere else. And there are examples of this type of opportunity cost all over the place, the famous one, of course, is Vancouver with my former employer where, because at the time they couldn't move H-1Bs to the United States, they formed, instead, in Canada, a separate organization where large -- three times as many Canadians were hired to work there as there were H-1Bs that would have created those jobs in the United States.

So, I think he's right in the sense that when you think about a hotel manager or a computer science -- excuse me, a software architecture project manager, and you think about what they're looking for to fill out the requirements of doing that project in the United States, that, when they can't find the labor here, turns into a capital requirement for recruiting from overseas.

This is the last thing I'll mention, and I'm out of time here, but we're going to talk about it exhaustively, is I do think there is a path forward for comprehensive immigration reform, but I don't think it's a path or a package called comprehensive immigration reform. I will say this, and I'm happy to expand on it, my experience with immigration policy work from 2006, 2007, and it's probably true of every third rail issue in the United States, is that the larger the bill grows, the more political problems you get, not in a linear fashion, but in an exponential fashion.

It's like gravity. If Godzilla really existed, he'd need thighs, each of which were four times the size of his torso, to hold himself up because gravity effects things according to mass at exponential rates.

Politics are the same way. The bigger you make a bill, the bigger the politics by an exponential factor. We must find a way to reculturalize the Hill, if that's a word -- reculturalize the Hill starting at the most basic levels between staffers who have

disagreements -- they're self-selected people on the Hill, keep that in mind. These people elected to be there, either the members themselves or the staff who come to work with them, they're passionate people, they have philosophical views. They aren't, sort of, these robots that just kind of go about the legislative process that's described in *I'm Just A Bill*, the song that we all learned as kids.

So, we've got to change this culturally on the Hill, peoples' belief that you can do any immigration reform. That the word itself does not alienate the political possibility of moving forward, and we'll move from there. And if you can start with small bills -- this isn't a way of getting around immigration reform, this isn't an effort to just do one-off opportunities, it's a way to start a process by which you drive whatever size vehicle you can get down that tunnel and as you're going, you try and push the tunnel out a little bit so you can get a slightly bigger one going next time, and you begin to build building blocks, voting blocks, and other types of political support for something that people believe can happen, because right now -- I spend all my time on the Hill -- people do not believe it can happen and that is a huge obstacle for us getting this done.

So, I'm going to stop there. I think I went way over my time.

MR. HART: Thank you, Scott. Lindsay Lowell from Georgetown is our final presenter.

MR. LOWELL: Good morning. I just want to talk about a few things, maybe set some of this in the kind of context I've come to over the last couple of decades.

First off I want to talk a little bit about principles because a lot of this is driven by often unstated and assumed principles, and to use those principles as a prism through which you look at numbers, because I am, indeed, skeptical of a lot of numbers, and I'm going to talk about that.

When this was put in place on the employment-based side, the idea was that the caps and the green card system would serve the function of putting the employer in the drivers seat, so we have a demand driven system, not supply driven like a point system in Canada where you just think that you're going to supply an economy with workers of a certain skill set.

We have a demand driven system, so in that system the employer is determining where the shortage is and where the microeconomic and geographic shortages need to be filled. We also, however, put caps in place in certain kinds of protections and certifications that had in mind the idea of protecting the domestic labor market, and that was a principle which we found very, very important back then.

And at the same time, we had a system that worked, so that you didn't have more people coming on a temporary system that could be absorbed in the permanent, and that's a real problem that we face today.

So, I want to get back to this idea of system in a minute. But that was the idea, is that you have a demand-based system you put in place, the system works in a reasonable way.

Let's talk a little bit about shortage claims and projections. Nurses are one of my current interesting ones. When I first started looking at the nursing and healthcare labor force, a little over a decade ago, I was surprised that there was an increasing ratio of nurses to population and increasing wage growth.

Now, what's ratio of nurses to population mean? That means, as you have more nurses, they are able to serve fewer people, better quality of care, and there is an assumed ratio that really means good quality care, also, presumptively, that you don't have a shortage. Well, in the middle of the 1990s, all the wise gurus said, we are going to have a surplus of physicians and healthcare providers and nurses within five years.

Already by 2001 people were saying, oh, no, no, no, we have a shortage, but the reason we have a shortage is because wages and working conditions are deteriorating.

So, we had a national level effort to increase training, you saw increases in wages. Already by 2005 the nursing ratio was going up, women who had left nursing came back to the field, and by 2009 one of the prognosticators of shortages said, well, you know, we look like we may be turning the RN shortage thing around.

By 2011, a whole team of these prognosticators said, well, you know what, the nursing shortage is done. Why? Because we have the largest cohort of young RNs we've ever seen. And it was unanticipated, and what's really remarkable about that, in fact, most everybody will agree the reason we have shortages in nursing is because we don't have the capacity to train them. So, where in the heck did this young cohort come from?

Projections and shortage claims are a difficult thing to get at. Let's talk about scientists and engineers. A similar kind of thing goes on. We will hear about the Bureau of Labor statistic projections, but they're not shortage projections, they're guidelines. By the way, I don't dislike projections; I think they're a necessary evil. I just think you need to view them with some skepticism.

So, for example, right now we have loud claims of shortages of STEM workers, yet the Bureau of Labor Statistics says right now we're going to need 165,000 STEM workers annually for both replacement and new jobs. How many domestic -- forget foreign-born -- how many domestic students do we graduate at the BA level and above annually in the United States? Five hundred thousand. I'm looking for the shortage. Is the quality of STEM gone down? Test scores in math have been up over the last two decades. Has the number of course taking gone down among domestic students? No, it's gone up, whatever we think about AP.

So, you know, where's the shortage? I'm really wondering.

Let's talk about the H-2A for agriculture. Now, here's a really interesting one. If you've been following it, it's fascinating. The number of H-2As coming in now, and H-2s generally, are about a third to 40 percent or more of all Mexican immigration coming across the border every year. It's astounding. People don't seem to see it, but it's there.

Why has there been such fundamental growth in the H-2As? Because there's no more unauthorized out there? Because there's a real shortage in agriculture?

I think what's happening, fairly obviously, is we've seen a halving of the number of seasonal workers in agriculture over the last two decades. What's happening is employers want stable workers who they can have on a contract and keep them year-round, so the nature of demand has changed. There's not really a shortage or a substitution going on.

These things are very difficult and you can always pull out individual examples, you can always talk about individual small occupations, and they will be in shortage. And it's a real problem on how to fit those. I agree that we do have, in fact, an Einstein issue facing the United States.

And let me just make some final comments along that line because I don't think in the global competition we're going to have a problem. The global competition is minimal. If you look at India, China, and the number of engineers and scientists they're producing, there's going to be a global glut, most likely, not a shortage, so the real problem is the competition for the true best and brightest, the Einstein principle, and that takes really smart policymaking, really smart.

So, what, for example, is going on in my eyes is that we all are in agreement that the system is sticky and goofy and doesn't work, but I think people

conflate the badness of the system with a need for more numbers. The idea is that if a little is good, or actually a lot is good in our case in skilled migration and less skilled, more must be better. But I don't see that equation, I just see that we need to fix the system.

For example, what we're seeing now is runarounds, so if you increase the number of H-1Bs, if you have a stable act for graduate students, getting around some of the bottlenecks that would create it, but you're actually making the system worse. You're creating more of a backlog running into the green card. The green card numbers, the caps cannot absorb the temporary workers we're letting in. That's a train wreck. Why do we keep on going that way?

So, I would agree, and I think many of us here would agree that we need systemic reform, we need to design a system where temporary visas are temporary, where we go back to some core U.S. and American principles that we favor an affirmative admission of permanent residents who are going to become citizens, that we don't put them on prolonged probationary visas that takes years and decades before they become permanent and can be on the line to vote at some point.

That's going to be really difficult to do, both the 2006 and the 2007 bills in the Senate, which were arguably the last to try to do the systemic reform, I believe, had real problems. We're not going to discuss those now because I want to turn this over to the conversation, but that's my last point, which is, I think targeted reform is probably more dangerous than not facing up to the need to do systemic reform.

And with that said, I'll stop.

MR. HART: Thank you, Lindsay. So, we have a lot on the table. Let me start the conversation up here for 15 or 20 minutes and then we'll open it up for questions, and I want to start by bringing it back to Audrey and Darrell on the subject of

projections and shortages and whether either is an adequate basis for policymaking, so for the moment, staying away from what the right policy is and the politics of that.

And just to preface that a little bit, so Lindsay hosted a meeting a couple of weeks ago and one of the presenters there laid out a list of things that you should look for if somebody -- an employer is claiming that there's a shortage. For instance, is the employer increasing their recruiting efforts? Are they increasing the use of overtime? Are they substituting equipment for labor? Are they, I think most fundamentally, paying more?

So, I guess maybe this comes directly to Darrell's research. Do you find that the employers are doing these things? And isn't the better solution, if I can put it that way, to a shortage to simply raise wages?

MR. WEST: That certainly would be a solution to the problem, but the difficulty that, when you talk with people in industry, the difficulty that a lot of business people face is they essentially have developed a particular business model that works for them at a given wage level, so you can say, you know, if you raise wages, certainly you can get more people to staff the front desk of the hotel, and I'm sure that's entirely true, but it doesn't work from the standpoint of their business model, so you have that issue.

And then the other issue that Lindsay highlighted was the school training problem and I think in a lot of areas that is a crucial part of some of the shortages that seem to be developing, and certainly when you talk with people in the business community, in the healthcare area, in the high-tech field, in agriculture, they routinely complain about the problems.

In the healthcare area there are going to be problems in terms of future employment just owing to some of the budget cuts that now are either being implemented or are on the horizon. When we talk with people in the medical area, especially in terms

of nurses and physicians, they were talking about how a lot of state universities, their nursing programs are being devastated now and so they fear that between the combination of the high retirement rates that are coming up just due to demographic changes in the field and the budget cuts that are gutting some of the nursing programs, that that is going to be a real big complication and is going to aggravate some of the problems that people are seeing.

MR. HART: If I could just push back a little bit on the question of business, so isn't the whole point of healthcare reform to change the business model? I mean, shouldn't we be looking for, you know, let's say changes in the compensation packages for some of these folks and the way that healthcare is organized? I mean, I think that is -- I guess I don't want us to assume that immigration is the appropriate response to a claim of shortage.

MR. WEST: Well, certainly in the healthcare area, the goal is to change the incentives so that we have a better alignment between the incentives facing hospitals, doctors, and other healthcare providers with the broader goals of the society. But I never heard, in any of the debate over healthcare, that the goal is to raise the wages of nurses or physicians or specialty occupations or occupational therapists. I don't think healthcare reform is going to solve that particular problem.

MR. HARTS: Thanks. Audrey?

MS. SINGER: I just want to say for the record, I'm a skeptic on projections as well. They're only as good as the assumptions you put into them, as we know, but I use them and I appreciate them for what they are.

That said, I think if we look at -- there's a number of different things that I'm thinking of responding to that question and, you know, one is the idea that we're not training enough people domestically and/or those people are choosing to go into

professions that they're not trained in. There's a body of research that talks about why people make those choices, what diverts them, and some of it does have to do with wages and prestige and status of jobs, and some of it just has to do with preferences and how people develop in their careers.

But in terms of this other issue about how to know when there are shortages there, there was a great article in *The New York Times* on Sunday that some of you may have seen about a shortage of doctors in the Inland Empire, and it looked at population growth there, which has been tremendous over the last decade or two, including immigration -- immigrant growth there, and the healthcare system and how there aren't enough doctors to go around and how are they going to train, it takes a dozen years to make a doctor, you know, what is going -- I'm not giving a great synopsis of this, but hopefully you're following me -- but the article ultimately never talked about -- it talked about the regional problem of a shortage in this one occupation in this one place and talked about the meaning of that in the larger L.A. -- greater L.A. region, in the U.S. It never once mentioned importing doctors from other places, including from abroad.

And when you look at the numbers, one-quarter of all physicians in the U.S. are foreign-born right now. So, there is a pipeline already in place, either people who are being trained here from abroad and going into those professions, but there is also this -- there's a greater untapped resource in the U.S. in terms of our immigrant population. Many people are trained in fields that they're not necessarily working directly in because of different kinds of barriers -- language, certification, cultural, and employer preferences.

So, I think those are things that we have to consider going forward as well and it opens up another set of issues that we're not really able to touch on here today.

MR. HART: Thanks. I want to turn then to the policy and politics a little bit. So, John, you heard from Scott that he thought maybe the pathway forward was through some bite sized pieces rather than the whole enchilada, as the President of Mexico once called it, of comprehensive immigration reform. I wonder if you could comment on that, say, strategic question and if there are some building blocks or widening the tunnel or whatever metaphor you want to pull, what might those initial pieces be?

MR. WILHELM: I don't think there's any empirical evidence for that proposition. I know that hope springs eternal and I know that in particular the portion of the business community that is focused on highly skilled, especially high tech people, hopes maybe they can lop off that piece, but since the failure of Kennedy-McCain, we've run two experiments in this regard, one I would call primarily an economic approach, and the other one I would call primarily a sort of, moral, human rights approach with a little asterisk for wasting human capital. And those are really the aspects of immigrant advocacy in this country, the economic angle and the moral human rights angle.

And what I mean by that is this: we tried Ag JOBS. Ag JOBS, arguably was a no-brainer from an economic point of view. You have some -- you know, everybody has their own guess as to the exact percentage, but you have some large majority of the agricultural workers in the United States who are not only immigrants, but undocumented immigrants. That's true in California particularly, but it's true all over the place. It's true in upstate New York, it's true in Alabama and Georgia, it's everywhere -- Iowa. You name it.

So, you had growers on the side of an immigration reform bill called Ag JOBS, you had Senator Feinstein, you know, certainly a democratic power, you had a variety of what appeared to be sort of bipartisan approaches for something that looks like

an economic no-brainer, and it has now got to the starting gate after several years of intense effort.

So, to me, on the strain of immigration reform that has to do with economics, if you can't do that one by itself, I don't think you can do anything. That one is so obvious.

On the other side is the Dream Act, which I -- even though it has a human capital aspect to it, it's really more of a moral, human rights kind of an argument. And we can't pass that either. Republicans who used to be for it, discovered they're now against it. Wasn't there a famous saying, I used to be for it, I'm -- anyway --

MR. HART: That was a previous campaign.

MR. WILHELM: Yes, in a different party. So, to me, the empirical evidence flies in the face of the argument that, you know, we have to do this piece by piece. I think the opposite is true. I think that because immigration is everywhere -- you know, if you drive around eastern Iowa, which I do periodically because I have a relative there -- if you drove around eastern Iowa ten years ago, all these little towns were dying. If you drive around now, they're being resurrected; they're being resurrected by Latinos. Main Street in these little towns now has a commercial activity that it didn't have ten years ago.

So, it's everywhere. So, the politics of this, in my view, actually argue in favor of building, for example -- passing comprehensive reform with the building blocks being different for different members of Congress. So, if the building blocks for the Congressional delegation from the state of Washington has to do with high-tech, maybe, if the building blocks from Iowa or Alabama or Georgia have to do with agriculture, if the building blocks from tourist areas had to do with hospitality, that's how you build, in my view, a Congressional majority.

I think the piece-by-piece approach, empirically, has not worked, and I just think it's a question of whether the business community wants to put political muscle behind this or not. It has not yet. When it does, and when the demographics become overwhelming, then I think we'll be fine in this regard.

I would just say one last thing on this point and that is that if there continues to be extreme resistance from a chunk of the Republican Party, even though other Republicans know better, and if there continues to be tepid -- I used the word spineless before -- support from a segment of the Democratic Party, then I think there will be a wholesale change in the makeup of the Congress between five and ten years from now driven by this issue and I think that would be a salutary development.

MR. HART: Scott, are there particular pieces that you'd like to see move forward that you would think could broaden the path for a broader legislation?

MR. CORLEY: Absolutely. I think, and this is going to sound pejorative, it's not in any way intended to be --

MR. WILHELM: You wouldn't be the first.

MR. CORLEY: I think bite size depends on the size of your mouth, and saying that agricultural reform is a bite sized chunk, that is a pretty relative comment. That issue involves undocumented workers and in the culture of the Hill today, that is death. It's -- we need to move beyond what we think should happen and start talking about what can happen to get us where we think we should be.

We're at the, you should do this, stage, we need to get to the, if you want to do this, okay, well, we can work with you in this space and actually develop some trust among these members who are, in their minds, in spite of statistics -- and Frank Sherry and I have debated this on a couple of occasions -- in spite of the statistics that say, oh, a majority of Americans support it, a majority of Americans want something to happen. It's

the lowest common denominator that you fear. If you work for a member you know that the worst thing that can happen to them is to go home to a town hall and have someone stand up and say, you voted to let someone in and my brother-in-law doesn't have a job. That's the problem.

It is much less a matter of sort of these high-minded ideas, which I'm completely for thought experiments prior to moving to the Hill, but when you go to the Hill and you keep getting the same response, I think that's the definition of insanity according to our friend, Mr. Einstein, who's on the cover of our other friend's book.

We do have an example, it's a tiny bite. John, it probably hasn't even registered on your radar because it's so small. It's the Per Country Bill. It's a little tiny bill that has also in it a family fix. We've got a very conservative Republican to agree to let the per country limits end on a group of folks that came in on the EB system, it's a -- the best way I can describe it, you know how we had three U.S. Olympic gymnasts who -- three of them qualified in the top four, but yet only two of them could go because of a per country limit.

So, the best people in the world aren't going to be competing in the finals at the Olympics because of some artificial idea that may be appropriate for the Olympics -- you want to inspire countries to have strong gymnastics programs -- that's not how we should approach our economy. We want to win everything, if possible, and so these per country limits are discouraging to people from large countries and on the business side we want to end them.

On the family side, the per country limit is restraining them. They don't want to end it because there is a goal for diversity in family, but the balance that they struck was we want a 15 percent instead of a 7 percent per country limit. We struck that deal with Bob Menendez. This is a guy who said comprehensive or nothing, but he

recognized, here's a little small opportunity to get something going and something is better than nothing.

I don't disagree that five to ten years from now there may be a wholesale change in the Congress, that eventually that may have to happen to deal with the undocumented question, the border questions, and everything else.

I don't want to wait five to ten years to see us solve these problems and if we have a chance now to start working on it in a meaningful way by getting voting blocks together in the house and senate, let's do it. Let's not sit back and wait for politics to change the way that we think they should be.

There are a lot of very smart people, including myself, who fell for it in 2006 and '07 -- I know I just called myself smart, I didn't realize what I was saying there. There were a lot of smart people, end statement, and people like me who believed in that process, and we -- you know, I know that my company actually did put some skin in the game and we got one person to agree to vote for cloture who looked at me after that and shook his head, he said, I can't believe I did that, one Republican. I agree with them also, a lot of other business groups didn't. They weren't real enamored with the bill. I don't even think the labor portions got worked out because no one thought it was going to happen.

I mean, a lot of it's about, you know, do you believe, on the Hill. Do you believe you can do this and survive it? Do you believe marching forward hand-in-hand is going to work? That's what gets bills done that are controversial like this and we are not there. We are not even close to there. And we can either wait for them to decide on their own or we can start trying to get them to join hands now.

I know Lindsay is going crazy over here. He's like, oh, I can't believe we're talking about this this way, but this is the function of getting bills done that people

don't typically talk about in forums like this, but it is important for everyone to understand it because if we aren't together downtown, it won't work either. Sorry.

MR. HART: Well, we have a lot of smart people in the audience and online and I think it's time to open up to questions, if you could just --

MR. CORLEY: I think Lindsay wanted to comment.

MR. LOWELL: Thank you.

MR. HART: Since you were called out -- excuse me.

MR. CORLEY: Yeah, he got called out.

MR. LOWELL: I'm sure some of you followed that. As one -- but not everybody. As one good friend told me once, you do policy, I do politics. And they are different. They're really different beasts. You know, as a person in the policy making community I would like to think that some of our ideas actually get used, and some of them do, but for example here's an issue I would have with what Scott just said. If you do away with the per country limit, you're not recognizing the system issues that he's clearly, and I think rightly, thinking should be a priority.

If you do away with the country limits what you're basically saying is Indians forever because the skill system is dominated by the Indians.

Now, think of it this way, the per country limit in the United States is about 20,000 - 22,000 people. How in the world do we bring in 100,000 plus Mexican individuals every year? Because the system is also driven by a citizen reunification set of visas that aren't capped. So, we're able to get a lot of people around the per country cap and, you know, this is in fact happening in India and China to some extent, but if you do away with the per country cap what you do is you set in play the same networked phenomena, somebody who gets sponsored today, sponsors somebody else tomorrow.

And so I don't think -- and I think some of these things sunset the per

country cap after lifting it for a while, that I can see a gain for, but it's an end run. It's an intent to fix the problem that we've created for ourselves over the last 15 years. We've created a train wreck by talking about H-1Bs endlessly, increasing the numbers out of sight to where they can't fit in to the end of the tunnel because there's just not enough green cards.

So, every time you do an end run, you're creating more of a problem. So, I think a systemic change should be there. I think one of the things that's keeping people from moving forward is every time they think about systemic change on the skill side; it runs right into the real problem, which is everybody thinks comprehensive reform means what? Solution of the unauthorized population in the United States, and that is a hot electric rail people don't want to touch, and I think it holds reform of the skill system and the employment-based system more broadly including all skilled workers, it holds it hostage.

MR. HART: Thank you. I'm sorry I --

MR. CORLEY: All I want to say is I don't agree with the characterization of the Per Country, but I don't want to go down that rat hole right now. If other people want to ask us a question about that, that's fine.

MR. HART: So, let's open it up. We have some folks with microphones, we also have the #BIWORKER Twitter hashtag, and we'll have questions relayed in there.

Do you have one to start with?

SPEAKER: Yeah, we actually have two to start with. The first one comes from a professor at the University of Texas at Austin and she asks, "What do you think of the Start-Up Act 2.0? And does the situation of bipartisan approach have a chance to succeed?"

The second question we have is from a woman named Margi Waller and she asks, “If the business model is causing problems for community with wages that are too low, what should we do to correct?”

MR. WILHELM: The second one is simple, organize a union.

MR. CORLEY: Start-Up Act.

MR. WEST: Well, Start-Up Act 1.0 --

MR. CORLEY: Oh, I’m sorry, Darrell, go ahead.

MR. WEST: Start-Up Act 1.0 did work; it was passed, so now they’re seeking to extend that bipartisan spirit.

MR. CORLEY: I would just say, bipartisan is critical for passing, so on a purely functional lobbying government affairs side, you have to have people from both parties, and I don’t think that’s something we need to go too deep into because it’s pretty obvious.

Will it come up? It’s possible, but there’s a lot in the Start-Up Act. It’s not just about skilled migration, it has -- there are tax reforms in there, there are other things that are meant to get the economy going, but they have good members and people that are pretty dedicated to the concept. Talking about it and doing it are different things.

Substance-wise, it includes a lot of the elements that we would look for. I think the compromises that it would take to pass it would probably end up in the arena that, you know, Lindsay may comment on, which are, you know, people want caps, people want things to end over a certain amount of time, and the real resistance, a lot of times, from the community that supports these measures, whether it’s on the family side, the immigrant rights side or the business side, is it is a tremendous pain to reauthorize these programs. I mean, it’s enormously painful and it’s no guaranties in doing that and

that level of uncertainty, especially for the employers I represent, goes into the calculation of whether or not they're going to put energy and time into it, to be perfectly honest with you.

MR. LOWELL: Yeah. I think a lot of this discussion is a tempest in a teapot because the numbers are really small and they're probably going to stay small, the investor visa is probably a bit more of an issue in terms of its credibility. If somebody can start a job and earn their way towards green card status, why not? I mean, it doesn't really bother me, plus it's outside of the system, in a way, this isn't going to create problems, it's not going to reverberate any place else.

The real challenge, since I think we're talking primarily about employment-based migration, is trying to figure out a way of how many do we really need, because employers will ask for about as many as they can get, and you can't blame them, that's how most of us operate. And they go to college campuses, and that's who they've got to hire, is a lot of foreign-born students.

I've been working with Phil Martin at the University of California Davis for the Sloan Foundation, David was there and Audrey, through some of these meetings where we're trying to get people with very different points of view and talk about, how do you actually set a system up to select people and get employers who they need in a way that brings in people who are truly the best and the brightest? The more you bring in, the more you put downward pressure on your selectivity system.

So, you've got to be really careful. And how do you balance that? What's the system? I don't think we've really got a lot of good ideas, but I think we're struggling to get them and I think we've got players here who have good ideas and it would be nice to think that we can put together a coalition that would decouple the undocumented issues and approach employment-based migration in a more systemic

fashion.

MR. CORLEY: I would say -- the one thing I would add on that is it's got to be an idea that actually improves upon the current system. I mean, that's the key, right? If you're going to take some of the control out of sort of the market and those points of decision that we talked about before that exist in a million different ways, in a million different hiring managers' offices, the system has to be an improvement. It can't create more unintended consequences than it seeks to solve, and it certainly can't be a system that, you know, leaves us with a high -- artificially high wage rate with less people employed. I mean, that's an option here; that is a very real option in a global market where you have a global competition for this type of talent.

MR. HART: Audrey?

MS. SINGER: I just wanted to address the Start-Up Act specifically, which the immigration provisions would take H-1B workers and offer them a temporary visa to start a business here and see if that fares well then they would earn a green card.

So, there are a lot of risks there for the immigrant, obviously, the rate of business failure is high for new businesses, but there's also a huge administrative cost that people are ignoring somewhat. This -- the proposal is for 75,000 visas a year. We currently have an investor visa, the E-B5, which administers a few thousand applications each year and it's very hard for the system to adjudicate a small number of business and economic plans as is.

So, you know, we have to think really carefully -- you know, it seems like a good idea; these people are already here, we'll give them another chance to stay longer. But the risk for them of failing, of having to then make another plan and return home, the risk, of us, in terms of overloading our system is also something to consider.

So, thinking through these potential steps of legislation are much bigger

than they sound. You know, as Scott pointed out, you know, the piece of legislation that he called a tiny one is actually a big consideration, especially if it's a first step towards reform.

MR. HART: John?

MR. WILHELM: It's inconceivable to me that the Congress could design a system of caps and quotas and numbers and all that that has any prayer of working in the real economy, in addition to which you have the administrative burden that Audrey's talking about. On this point I agree with Scott. I think if we're going to have an intelligent immigration in this country it has to be demand-driven and market-driven, otherwise it will never fit.

MR. HART: Thank you. So, questions? Yeah, here.

MR. KOSLOWSKI: Hi, I'm Rey Koslowski from the University at Albany and a question for John Wilhelm. So, what would sufficient political muscle from the business community look like to pass comprehensive immigration reform? I agree with you that was something that was missing, but what would it take?

MR. WILHELM: Well, I'll give you a comparison contemporaneous with the failure of Kennedy-McCain. And look, I agree Kennedy-McCain wasn't perfect, but in my view, at least, it would be a hell of a lot better than what we have now, which I realize is a low bar.

And you may think this particular comment is out of some sort of narrow self-interest. It isn't. It's just a comparison that I happen to observe.

In roughly the same timeframe and then continuing for two or three years, the business community drew a line in the sand about reform of our labor laws, obviously a subject I follow along with immigration, and the business community put real muscle behind that, and I don't raise that to criticize, that was their point of view about

that and, you know, it's a free country, but the comparison between the enormous muscle the business community put behind telling Republicans, if you vote for labor law reform, that's a line in the sand, we'll never support you again, which the Chamber and many others did, as against Kennedy-McCain where they said, well, you know, it's a good thing, you ought to be for it. That, to me, sums up the dichotomy, and again, I'm not arguing that the business community should have had a different position on labor law reform, that's their business, but there just was no muscle. And I still think there's no muscle behind this.

I mean, as an example, I don't agree with the proposition that the fate of 12 million people in the United States who happen to be undocumented should somehow be put aside, I don't even know what that means. It's a tremendous waste of human capital and a tremendous drain on our economy to have 12 million people operating outside of the minimum wage laws, outside of health and safety laws, outside of every law we have. It's crazy for the economic future of this country to have kids growing up in households, in large numbers, where the parents have no rights. And so the kids are going to start out behind the eight ball and, as Audrey said, those kids are a big chunk of this country. She was citing both undocumented and documented immigrants, but the children of undocumented immigrants are a huge group here and we're nuts to leave them out. It makes no economic sense at all.

And so I don't believe in divorcing those issues at all. And as I said before, I recognize, as Scott said, that -- and others believe as well, rightly so, that the undocumented issue is the third rail right now, but we ignore that issue at our peril and I think we have to realize that the politics of this are going to change quite rapidly and we shouldn't do anything stupid -- or counterproductive would be a better word than stupid -- counterproductive.

Take Texas. Texas is the home of a good deal of input from one side of the spectrum, let's say. Texas is -- you know, I believe I follow these demographic issues, not like Audrey, but I believe I follow them. I was surprised to learn when the 2010 census figures came out that Texas is now a majority/minority state. So, Texas is going to be a very different place ten years from now or less.

I don't think we ought to give up on an economically sensible reform of our immigration system and I think if you cut out undocumented people, you're creating an economic catastrophe.

MR. HART: Another question? Oh, do you have a comment?

MR. LOWELL: Yeah, I just wanted to say, when I say decouple, I meant decouple psychologically. If that means reforming and having amnesty at the same time, that's fine, but it's a barrier right now to needed reform on the employment side because they're seen as a linked phenomenon and getting around that is going to be really tough, and I'm not sure -- I leave it to the people on the political end of the spectrum to fight that fight.

MR. HART: Yeah, here.

MS. PRICE: Hi, I'm Marie Price from George Washington University and I come at this more from the policy side and data-driven policy, and we seem to be in a really interesting moment in time where in the 2010 census there was no immigration question and there's a movement in Congress to not underfund the American Community Survey, which is our most important source of information about the foreign-born.

So, I think we're -- I don't -- my question is to anyone on the panel. We seem to be at a moment in time where we know less about immigrants and may even know even less about them in the future in terms of not only how they're integrating into society, but how many, where they are, and is that a good thing or a bad thing for policy?

MR. WEST: It's a bad thing. And I like to contrast the immigration situation with Social Security. Like, with Social Security, basically there are known facts about which people argue and disagree in terms of what they mean and there are, you know, different policy debates associated with it.

What is difficult about immigration is we have disagreement over opinions, which is fine, but we also have disagreement over facts, and that is devastating for our ability to actually resolve the situation. I mean, every time I give talks around the country, you know, you do a Q&A and people will say things that actually are not supported by the research, but yet they feel that very strongly, they feel that very intensely, and it affects their view of the policy options.

And so, you know, all the things that are undermining research that would improve our ability to understand what is happening with these complex demographic changes, you know, when we defund or cut the funding for those research efforts, it's really devastating in terms of our ability to really understand and address these questions.

MS. SINGER: I just wanted to add, thanks, Marie, for the question and the comment about data because some of us live and die by our data, but as Darrell points out, sometimes facts don't matter and I think Lindsay made the point earlier that many people have a lens, they walk into this issue with beliefs that color the way they see the matters that are staring at them in black and white.

On the issue of more or less data, in some ways we have more data these days and more interest in data. Fifteen years ago we didn't really have a good estimate of the unauthorized population in the U.S., for example, and as soon as we got a credible set of estimates from, you know, a couple of different sources, those numbers took on a life of their own and they drive a lot of the discussion. And in some ways we do

rely on numbers in a fashion that we didn't -- we couldn't before.

And the point about the census is a good one. We are back to a short form and we have this longer questionnaire called the American Community Survey that is fielded every year and we get annual estimates, but those estimates, for those of us who use them, are also confounding in their own way.

So, we have more and we have less at the same time and I think it's something that we really have to keep track of and keep on and maintain this national representative source of data that helps us understand national and regional issues, but also look towards local sources aw well.

MR. HART: I would remind you that the one time we -- the United States truly had an anti-immigrant party was called "the no-nothing party" or at least -- it took that label on willingly.

Why don't we have one more question and then we'll wrap up?

MR. CHALMERS: Hi, Eric Chalmers from Seattle University, but originally from Phoenix, which ties into my question.

I'm wondering what lessons you think we can learn from Arizona and also what potentially the shifting demographic of Arizona, John, as you said with Texas, but Arizona is polling almost as a swing state in this election, so what indicators you think we can draw from that?

MR. HART: John, do you want to tackle that?

MR. WILHELM: Well, sure. I mean, you're exactly right. You can look at a number of other states that are somewhere on that spectrum, certainly Nevada, Colorado, there's a whole bunch of them, but increasingly they're going to be other places too, places in the South -- the Deep South, for example.

So, look, going back to the version of the political point I made earlier,

half of me wishes that these extremists would wake up to the economic and moral dimensions of the position they're taking, but the other half of me says, well, in a place like Arizona when the extremists passed that piece of legislation, in many cases parts of it against the wishes of the business community as well as others, they hastened the civic engagement of lots of people. So, the politics of the City of Phoenix have changed dramatically. Whether the politics of Maricopa County, which as you know, Phoenix is within, are changing rapidly enough to say, as the slogan out there now is, adios Arpaio, a lot of us, including our union, are engaged in intensive voter registration there.

So, in a perverse kind of a way, although I hate the idea of further polarizing this country around this issue, nevertheless, as we saw in California when the -- people forget, California was a Republican state for several decades and when Governor Wilson sponsored Prop. 187 and a majority of the voters in California who skew older and whiter than the population, voted for Prop. 187, it created such a surge of civic engagement and participation on the part of Latinos and other immigrants, that California is now a blue state and, you know, you can decide whether you think that's good or bad, but that's the facts, and I believe that's happening in Arizona and a whole bunch of other places.

This is going to be a very, very different country politically over the next few years and the more the extremists pound away on this stuff, the faster the civic engagement occurs.

MR. WEST: I think John is right, I mean, the politics are going to change dramatically. I mean, we know that there are eight to nine swing states in this presidential election, two of them are Colorado and Nevada where the Latino vote has been decisive in some recent elections. So, I think what's happening in Arizona, the pushback we're seeing -- Audrey's done research on the suburbanization of immigration,

the demographic changes that are taking place, all these things are really going to transform the way this issue plays out just in the next few years.

MR. HART: And with that I think we're going to wrap up this session. I want to thank everybody for attending and thank our panels and look forward to more discussions like this one.

(Applause)

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