

Reforming U.S. Immigration Policy

Open New Pathways to Integration

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Summary

In the face of polarized public opinion and an unresolved congressional debate on the issue of illegal immigration, reforming U.S. immigration policy will be high on the 2008 Presidential campaign agenda. Current federal policy has frustrated state and local officials and inspired some of them to craft their own laws. Not all of the new policies are anti-immigrant; however, many of the most restrictive measures are found in areas with little or no recent experience of immigration.

An estimated 11 to 12 million people reside illegally in the United States, and their fate is the most controversial aspect of the current debate. The next President should initiate a program to let them earn *legal permanent residence*—arguably one of the most important opportunities for making communities and the nation function better economically and socially.

Reforming immigration policy entails a broad set of policy reforms. This brief is focused specifically on policies the next President should support that aid in the economic, social, and civic integration of illegal immigrants, by:

- recognizing the economic role and contribution of undocumented workers by implementing an earned legalization program
- creating an Impact Aid Program that would offset state and local expenditures related to the program
- creating a New Americans Initiative—a program to support state-level public-private partnership that would help *all* immigrants integrate into American



society in a systematic, coordinated, and effective way, through local government and nonprofit programs for:

- English language training and education.
- Service provision and language access and.
- Civics participation and help toward naturalization.

Context

U.S. immigration policy is long overdue for reform. A fractious 109th Congress tried but failed to pass legislation to change the way immigration policy functions. Recent raids by Immigration and Customs Enforcement on the meatpacking industry offer a glimpse into the economic role that immigrant workers play in the U.S. labor market. The raids at six Swift & Company-operated slaughterhouses in as many states resulted in 1,300 employee arrests. Meat processing jobs, rurally-located and deemed undesirable by a large segment of U.S. workers, attract many immigrant workers—particularly from Mexico and other parts of Latin America. More than one-quarter of the workforce in this industry category may be undocumented.

The meatpacking sector is small but the jobs are relatively well paying compared with many other jobs that attract low-skilled immigrants.¹ Other occupations that do not require licensing or higher education also depend heavily on unauthorized immigrant labor—notably the construction, agriculture, manufacturing, and hospitality services sectors. The Congressional Budget Office (CBO) reports that during the past decade, foreign-born workers (both legal and illegal) accounted for *half of all new entrants* into the U.S. labor force. Over the next decade or two, the U.S.-born labor force will decline, as baby boomers retire, and most of the net increase to the labor force will come from immigrants and their offspring.

The United States competes in a global labor market, attracting immigrants from around the world with the full range of education and skills. Roughly one-third of all

¹ The terms foreign-born and immigrant are used interchangeably in this paper to mean any person living in the United States who was born abroad. The terms unauthorized, undocumented, and illegal are also used interchangeably, even though they carry different connotations depending on one's viewpoint.

foreign-born workers have a bachelor's degree or more, on a par with rates of those born in this country. But immigrant workers with less than a high school diploma constitute an almost equal proportion, whereas only 6 percent of U.S.-born workers have not completed high school. Not only does the U.S. economy benefit from highly skilled immigrant scientists, engineers, and computer specialists, but also, says the CBO, low-skilled workers complement an increasingly educated U.S.-born population although in some low-skilled occupations, native-born workers having similar education, skills, and experience must compete with immigrant workers.

Although immigrants are an important part of the U.S. economy, and constitute a net benefit, the impact of illegal immigrants is uneven. A recent analysis by the Texas Comptroller's Office showed that state taxes collected from undocumented immigrants exceeded what the state spent on services—including education, medical care, and incarceration—by \$425 million. But local governments experienced a net loss. Costs and benefits associated with immigrants, and in particular illegal immigrants, vary from place to place. This explains, in part, the rash of restrictive local policies, particularly in places with fast-growing immigrant populations.

Due to changes in labor markets, today's immigrants, both legal and illegal, are settling in a greater number of states—many in the South—that are outside the traditional destination states: California, Florida, Illinois, New Jersey, New York, and Texas. Thus, a new group of cities and suburbs has become increasingly common immigrant destinations. The swiftness of the influx in areas that historically have not accommodated large numbers of immigrants has caused social and economic stress. Especially in small towns, rural areas, and many suburbs, institutional structures that could assist in the integration of immigrants—both community and governmental—may be insufficient or nonexistent. Local leaders are grappling with the costs to institutions where immigrant newcomers have the greatest impact, such as schools, hospitals, and public safety.

The current need for immigration reform comes at a time when the United States has more foreign-born residents than ever before—35.7 million; they currently make up 12

percent of the population, a lower rate than in the early 20th century. About a third of this group is here illegally, and the number has grown by some 500,000 people each year since 2000. Among the undocumented, about 40 percent entered the United States with a legal temporary visa and then violated the terms of the visa, while the remainder evaded authorities at the border. These immigrants—the *illegal*, the *unauthorized*, the *undocumented*—are the subject of a fierce debate about their costs, their contributions, and their future.

The Current Debate and Legislative Choices

The debate over what the federal government should do regarding the large and growing pool of undocumented people in the United States has progressed to two opposing positions that roughly correspond to House and Senate Bills passed in the last Congress. The more restrictionist perspective favors enforcement provisions, putting border security as the top priority, along with other enforcement efforts, including verification of work eligibility and stiffer penalties for violating laws related to illegal presence. This position does not support a temporary guest worker program or a legalization program and takes the view that rewarding unauthorized immigrants with legal status will open the way for more illegal immigration.

Immigration Policy Debate Lexicon

In this highly politicized debate, a shorthand has developed around immigration reform whose meanings relate to ideological leanings. Presidential candidates will have to choose terms carefully to avoid these “hidden meanings.”

- ***Comprehensive reform*** refers to a broad package of immigration programs that includes border security, an employment verification system, a legalization program, and a temporary worker program and generally connotes a more inclusive stance.
- ***Enforcement-only*** or ***Enforcement-first*** signals a restrictionist vision where securing the border is the only priority, aimed at keeping out unwanted

immigrants, drugs, criminals, and terrorists. This view also supports internal enforcement through an employment verification system.

- ***Guest worker*** and ***Temporary worker*** both usually refer to allowing immigrants conditional, temporary entry to fill a labor need; however, the first term usually suggests opposition to that kind of policy, while the second suggests support.
- ***Amnesty*** is a dead giveaway that the user disfavors any program that provides a pathway to legal status for those already in the country illegally.
- The shorthand ***Pathway to Citizenship*** has been used to conflate offering legal status with offering citizenship to those who are unauthorized, sometimes purposely to confuse the issue.

A more inclusive position supports a broad strategy that includes all of the measures favored by the restrictionists but emphasizes bringing those who are currently unauthorized onto a legal path and expanding legal channels of entry for future workers. Thus it supports an annual guest worker program, annual increases in employment-based and family-based visas for permanent residents, as well as an increase in high-skilled H-1B visas. The most contested idea is a legalization program designed to allow illegal immigrants to obtain permanent residency and eventually citizenship. This perspective contends that it is untenable and unimaginable to deport or jail the 11 million people without legal status.

While immigration reform may look more likely in the Democratic-controlled 110th Congress, especially with President Bush's backing of comprehensive reform, the negotiations around immigration policy are likely to be protracted and difficult for several key reasons:

- The issue is widely recognized as a **complex problem** that requires a complex solution, and hammering out the details may have to happen piecemeal.
- The restrictionists have a **clear and decisive argument** that has fairly broad appeal, while the comprehensive camp has a complicated message and a

dense scheme for achieving what they want, making it harder to build public support.

- There is **no clear party alignment** on this issue, especially since several Democrats campaigned on more restrictive immigration measures.
- Immigration reform has to compete with many other pressing issues and did not make it to the newly elected Democrats' list of "**six for 06.**"
- Finally, more conservative members of Congress would like to **distance** themselves from President Bush's position. As his support deteriorates within his own party and his Presidency winds down, it will be harder for him to take a leadership role on this issue, even if he wants it to be part of his legacy.

Local Response to Federal Failure

The federal government holds exclusive authority over admissions and deportations, and local communities have no control over who enters the country or where they will reside. Yet immigrants are not evenly dispersed nationwide and tend to be concentrated in certain geographic areas, creating friction and imposing social and economic burdens on scanty local resources, particularly where the increase has been exceptionally fast.

Frustration with the ongoing stalemate at the federal level, not surprisingly, has reached a boiling point in some locales. By the end of October 2006, 570 pieces of legislation concerning immigrants had been introduced in state legislatures, and in 32 states, 84 bills had become laws. Countless local jurisdictions also introduced laws related to immigrants; many of the most restrictive measures have been developed in areas with no recent experience of immigration.

In addition to English-only laws, local governments have proposed or enacted laws to restrict employment or rentals to those that can show proof of legal U.S. residence. Although many of these new laws may be struck down, they stir up local debate and create an uncomfortable environment for local immigrants, even those who are here legally. Other communities are using laws already on the books—like residential

zoning and housing ordinances—to attempt to curb the growth of unwanted, usually poorer immigrants, multifamily households, or households with boarders and unrelated members. Local officials have also tried to restrict informal day labor sites, where immigrants congregate in hopes of employment—the first brush with “immigration” for many Americans in small towns and previously homogeneous areas. Growing intolerance towards illegal immigration drives local officials towards greater enforcement of ordinances that may deflect immigrants elsewhere and show that they are responding to public pressure.

Take Substantive Steps to Immigration Reform

Support Earned Legalization

As less-than-full members of U.S. society, the large and growing illegal immigrant population can never make the kind of gains needed to secure a long-term place in the labor market, the educational system, and in local communities. Increasingly the unauthorized population—which used to be a seasonal and largely male flow—consists of families. Moreover, many of these families include children born in the United States, who are U.S. citizens and presumptive long-term residents. Over the long run, immigrants and their offspring will play a central role in the labor force as the U.S.-born population ages and its contributions to the workforce diminish.

The new President should explicitly recognize that illegal immigration has become an economic and social reality—due in part to the current system and long term resistance to adjusting policies. ***Those currently working without authorization should have the opportunity to earn a place in line for permanent residency.*** All three of the proposals that follow build on recommendations made in a fall 2006 report from the bi-partisan Independent Task Force on Immigration and America’s Future, co-chaired by Spencer Abraham and Lee H. Hamilton and directed by former INS Commissioner, Doris Meissner.

An earned legalization program should have a simple registration process in an attempt to register the majority of immigrants illegally present in the United States.

Upon registering, applicants would undergo a security check, pay a significant fee, and commit to working for a number of years. They would be granted a temporary status that allows them to live and work in the United States. To earn a place in line behind others waiting for permanent residency, they would have to demonstrate a steady work history, pay taxes, learn English, and exemplify “good moral character.”

The Senate-passed bill in 2006 creates a three-tiered system of earned legalization that starts immigrants on the path to citizenship at different places, based on length of residence. Demetrios Papademetriou, President of the Migration Policy Institute, argues that *anything less than a real opportunity to gain legal permanent residency is not a great enough incentive to induce immigrants to register and “play by the rules”*. The last widespread legalization program, in the Immigration Reform and Control Act of 1986 [IRCA], required that applicants prove their eligibility through documenting their U.S. residence for the previous five years and was fraught with fraud and administrative inconsistencies. Therefore, any new program should be prospective rather than retrospective, accepting illegal status at face value and providing a simple mechanism for registration, with opportunity to earn legal residency moving forward. Experience with the IRCA program shows that many people will take the risk of applying when the expected outcome is worth it. A proposal that would give immigrants only some type of temporary status would likely find that they drop back into the shadows at the end of their term.

Taking a longer view than the current one—clouded as it is by politics and some degree of economic uncertainty—shows how moving the unauthorized into a legalized status would constitute a net gain.

- *Legal status improves economic chances and mobility.* The IRCA experience showed that legalization gave immigrants limited mobility up the occupational and wage ladder, with the odds better for those who acquired education, language training, or vocational training. A new legalization program would improve immigrants’ employment opportunities, earning power, and likelihood of learning English and other skills to make progress in the labor market.

- *Legalization benefits employers.* The majority of immigrants who overstay the terms of their visas or enter illegally do so because of the availability of jobs and the willingness of employers to overlook their status. In the past year, worksite enforcement, with employer fines and worker arrests, has significantly increased. A legalization program would give employers a greater pool of legal workers to hire, assure a more stable workforce, and decrease their risk of being raided, penalized, or stigmatized.
- *Legalization positively affects families and children.* About 40 percent of the nation's 6.6 million "unauthorized households" (ones where the head or spouse are undocumented) contain children, about two-thirds of whom are U.S.-born citizens. Undocumented immigrants are ineligible for most federally-funded programs, except for emergency Medicaid (although some states offer their own coverage for children and pregnant women). U.S.-citizen children are eligible for many programs, but parents often do not enroll them, due to confusion and fear of disclosing information to authorities.
- *Legalization also benefits states and localities.* Simply having the right to live and work in the United States is life-changing for immigrants. They are less fearful of being deported and are more likely to voluntarily participate in the institutions that constitute everyday life, such as their children's schools, their own language training and education, and in seeking medical assistance. This leads to more vibrant and healthy communities. Following IRCA, naturalization rates spiked after participating immigrants became eligible for citizenship. From a state government and community perspective, a large-scale legalization program would offer valuable information about who lives in their communities, the services they need, and the contributions they can make.

In sum, an earned legalization program that provides immigrants with the opportunity for legal residency followed by citizenship yields the best prospects for integration, which benefits all Americans.

Support a State Impact Aid Program

Our next President should promote comprehensive immigration reform, in order to ease the burden on state and local governments and to prevent local lawmakers from cracking down on immigrants in politically disjointed and socially damaging ways. In conjunction with an earned legalization program, the next President should support two new programs on immigrant integration.

First, the new administration should implement a federally-funded impact aid program to assist states and local areas. Indeed, if an earned legalization program as recommended above—or even a much more restrictive guest worker program—were part of new immigration law, an impact aid program would be a political imperative, because local areas would be able to demonstrate the presence of illegal immigrants. New destination states and localities, especially, have short-term fiscal burdens related to providing schooling, emergency health, and other social services that they cannot meet through existing revenue sources.

A large-scale legalization program would create millions of new legal residents whose status may result in more stable employment and higher income, which benefit them, while the concomitantly higher income tax payments benefit government entities. The additional services they need also should be covered in part by fees for registering with the earned legalization program. Such fees should help not only to cover the program's administrative costs, but also to defray additional social expenditures. And, imposition of fees should reassure the public that the program is simultaneously tough and fair.

A precedent for this proposed program is the \$4 billion State Legalization Impact Aid Grant program, a provision of IRCA that helped states offset the costs associated with legalized immigrants. The plan was to compensate states for providing public benefits, public health services, and adult education to help immigrants meet IRCA's requirements for basic knowledge of the English language, U.S. history, and government. Unfortunately, the program, which ended in 1995, was unevenly

implemented. States and localities complained that reimbursements were too low and too slow and that reporting requirements were poorly designed. To succeed, a new impact aid program must function better than the last one by stating clear guidelines, allowing states some planning flexibility, and requiring less onerous reporting requirements.

Support a New Americans Initiative

Undocumented individuals are only part of the U.S. immigrant population. Legal immigrants would benefit from systematic, coordinated and intentional public policy directed explicitly at their integration into American society—a “New Americans Initiative.” In order for the U.S. immigration system to work well, it must address the social, political, and economic incorporation of immigrants with many national origins, languages, religions, customs, and skills. The current “system” of integration involves little formal aid or guidance from the federal government, and the programs that do exist are at best ad hoc and reactive.

Nevertheless, integration does occur locally when people obtain jobs, go to school, obtain health care, and access state and local public services. Along with state and local governments, nonprofit organizations play the *de facto* role of developing programs and practices that aid in the integration of immigrants. The quality of these systems and institutions makes a difference in how people adapt to life in the United States; therefore it is imperative that local areas, especially ones newly affected by immigration trends, have guidance on policies to facilitate integration, and, as important, funding to carry them out.

Seed funding for the proposed New Americans Initiative would be provided by the federal government, but would comprise state initiatives built around public-private partnerships. A good model is a 2005 Illinois initiative designed to provide a “coherent, strategic, and proactive state government approach to immigrant integration.” In Illinois, a State Taskforce, which includes high-level state agency and department officials, is charged with examining how the state government can

systematically address its changing population, augmented by a Policy Council, which includes Illinois leaders with experience managing immigration in the business, community, philanthropic, faith, labor, and government fields. The two groups' recommendations prioritized programs that would help immigrants learn English, put legal immigrants on a path towards citizenship, establish state Welcoming Centers as a first point of contact for immigrants arriving into Illinois, and provide better access to services that state agencies provide.

Under a national New Americans Initiative, states would be encouraged to design plans specific to their needs. Recommendations from the Illinois experience that are universally applicable:

- *Implement an English learning campaign.* Gaining English proficiency is fundamentally important for immigrants to participate fully in American society. This recommendation calls for a coordinated effort among the state community college board, businesses, educators, and immigrant advocates to create, fund, and implement a campaign to offer English instruction where immigrants live and work.
- *Help eligible legal permanent residents attain U.S. citizenship.* When immigrants naturalize, they take on the rights and responsibilities of being a full member of U.S. society; they can vote, hold public office, serve on juries, and participate in other civic activities. The program should support community-based organizations that help immigrants prepare for the naturalization exam and guide them through the formal process.
- *Ensure that immigrants and refugees can access state services.* While immigrants are building their English skills, they should have good access to services and information about state offerings, even if it must be provided in their own languages. Many local governments across the country already offer services and material in languages of local immigrant groups, provide translation services, and hire multi-lingual staff. Implementing this recommendation will make language access a foundational method of doing business with local governments.

For states to adopt the Illinois model would require federal start-up funds. Each state would design its own strategic recommendations and advisory structure, pursue funding from foundations and businesses to create public-private partnerships, and work with local organizations in affected areas. The federal government should monitor the New Americans Initiative to glean policy guidance and promising practices that can be shared across states, where immigration patterns are new, changing, or well established.

Concluding Observations

A new national immigration policy must recognize that U.S. immigration—both legal and illegal—has been moving out of the traditional gateway cities and into second- and third-tier metropolitan areas, suburbs, and rural areas. Many localities are unprepared for the resultant strain. The growing tension between state and local officials and the federal government over the lack of immigration reform has stimulated local actions that are often rash and socially divisive. New federal policy should move toward a large-scale earned legalization program followed by financial support for overburdened states and locales and by encouraging local efforts to improve the social, civic, and economic incorporation of all immigrants. While the federal government can provide structure and support, states and locales should develop integration programs tailored to their own needs, in coordination with their philanthropic and nonprofit communities.

The next President should support an earned legalization program as part of a broad set of policy reforms—particularly internal enforcement and expanded and flexible legal channels of entry—that will work only if they are implemented simultaneously and holistically.

Americans should take great pride in their long history of combining diverse peoples into one nation. Indeed, European nations are looking more and more to this country for guidance on the social, cultural, economic, and political integration of immigrant newcomers. Compared with other aging societies in Europe and Japan, the future U.S.

population promises to be more competitive, productive, and younger because of immigration. It will be vital for the next President to help the nation come together on the issue of reforming immigration policy, in order to assure the future success of this country as the leader in the global economy and as the world's largest melting pot.

About the Author and the Project

Audrey Singer

Audrey Singer is a demographer and Immigration Fellow at Brookings. She is an expert on the Census, emerging immigrant gateways, and metropolitan demographics. Singer, a former demographic analyst at the U.S. Department of Labor, has written extensively on U.S. immigration trends such as naturalization and citizenship issues, undocumented migration, and the nation's changing racial and ethnic composition.

Opportunity 08 aims to help 2008 presidential candidates and the public focus on critical issues facing the nation, presenting policy ideas on a wide array of domestic and foreign policy questions. The project is committed to providing both independent policy solutions and background material on issues of concern to voters.

Additional Resources

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