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Barry R. Chiswick

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Barry R. Chiswick
*University of Illinois at Chicago
and IZA*

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IZA

P.O. Box 7240
53072 Bonn
Germany

Phone: +49-228-3894-0
Fax: +49-228-3894-180
E-mail: iza@iza.org

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ABSTRACT

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This paper analyzes what the author views as the current top ten myths and fallacies regarding immigration and immigration policy in the United States.

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Corresponding author:

Barry R. Chiswick
Department of Economics
College of Liberal Arts and Sciences
601 S. Morgan Street
Chicago, IL 60607-7121
USA
E-mail: brchis@uic.edu

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Most Americans have strong feelings about immigration and immigrants – sometimes pro, sometimes con, and often contradictory. Part of the difficulty coming to terms with a national immigration policy, however, is that much discussion in the press and by politicians, as well as among the populace, is dominated by myths and fallacies. A clarification of these myths and fallacies will not completely resolve the debate over immigration policy, but it will narrow the range of the discourse thereby facilitating arriving at sensible policies that are likely to be effective.

In 1970 about 4.7 percent, or one out of every twenty persons living in the United States, was foreign born. Today (2009), the proportion is about 13 percent or one out of every eight people in the US. What are the characteristics and impact of immigrants? Do immigrant characteristics matter? Recently about one million people have received permanent resident status in the US each year. Is an annual intake of one million immigrants too few or too many? With apologies to David Letterman, I would like to offer my list of the top ten myths and fallacies regarding immigration and immigrants in the United States today.

(1) “Immigrants are needed to do jobs natives will not do.”

This is undoubtedly the most common of all the myths and fallacies regarding immigration (Chiswick 2006). It is often said that native workers will not do the three “D” jobs – the dirty, dangerous, and difficult jobs. Natives will not do construction work, mow lawns, or clear and wash restaurant dishes. These jobs are performed disproportionately by immigrants in California, where they comprise about one-third of the population. Yet, it is patently untrue that American natives will not do these jobs. In Washington State and in West Virginia, where few immigrants live, the same jobs are performed by American

workers. I have it on good authority that houses are built and repaired, lawns are mowed, restaurant tables are cleared and dishes washed in these areas.²

The United States has experienced in recent decades a very large increase in low-skilled immigration, and immigrants with little schooling and little or no English language proficiency are to be expected to be found in the lowest skilled jobs, tending to drive down wages in these jobs. In the absence of low-skilled immigrants, native-born low-skilled workers would be able to obtain higher wages in the labor market (Hamermesh & Bean 1998). Native-born labor would be forthcoming to do these jobs in response to the higher wages. But the jobs would probably be done differently. In addition to – or because of – offering higher wages, employers would also have an incentive to make these jobs less D-intensive, that is, less dirty, dangerous, and physically difficult. With higher labor costs for low-skilled workers, employers would have an incentive to switch to production techniques that use less low-skilled labor, more physical capital (machinery), and more higher-skilled workers.

I am often asked, if not for the large number of low-skilled (legal and undocumented) immigrant workers where I live, how would my grass be mowed? In the absence of very low wage labor I would adopt some or all of various techniques for adjusting, including mowing the lawn every other week instead of weekly in the summer and replacing all or part of the lawn with ground cover. Grass seed companies would have an incentive to develop and sell new strains of grass that grow more slowly and require less frequent watering and fertilizer treatments. My lawn care company would purchase more efficient lawn mowers that require

² As this was being written, an article appeared in the *International Wall Street Journal* (Jordan 2009) about native-born Americans seeking jobs in slaughter houses that they had previously avoided.

less human effort. Higher wages would attract more native-born workers back to lawn care, including teenagers and adults with lower levels of schooling. The higher cost of lawn care might even induce me or my spouse to mow our own lawn!

For some goods and services imports or outsourcing would replace domestic production. That is, instead of importing low-skilled workers to do certain jobs, the jobs would be performed abroad, and the product imported. This applies not only to manufactured goods, but also to agricultural products. Tomatoes, for example, can either be grown and picked in the US by low-skilled Mexican-born workers or grown and picked in Mexico and imported directly into the US.

The point is that higher wages for low-skilled workers would encourage alternatives (substitutes) in both consumption (by families) and production (by business enterprises). Higher wages for low-skilled native-born workers will also mean that more of them will be in the labor force, fewer of them will be in poverty, and the recent trend toward increased income inequality could be reversed. The fear that goods and services currently being provided by low-skilled immigrant workers will no longer be available is completely without foundation.

(2) “There is no effect of immigration on the earnings of native-born workers”

This myth and fallacy, which is now widespread, may actually be a consequence of misguided research by some economists and sociologists. The statistical analyses, often using advanced statistical techniques, looked at the wages of workers in different areas (such as states, cities, or industries in the United States) and related these wages to the number or proportion of immigrants in the area or industry (Borjas 1990). In some analyses the focus was on relating the wages of low-skilled native-born workers to the extent to which low-

skilled immigrant workers were employed. The concept of native wages and immigrant workers would vary across studies, but the fundamental methodology was the same. The overall finding was of no consistent relationship between native wages and the prevalence of immigrant workers. The conclusion was drawn that immigration has little or no effect on native wages³.

This conclusion, however, can not be drawn from this methodology (Chiswick 1991, 1992). To do so requires that each area or industry be considered a “closed economy,” with no interstate, intercity or inter-industry mobility of labor or capital, except for the entry of the immigrant workers themselves. Since we know that capital and native labor move freely across states, cities, and industries, we need to consider their response to anything – like low-skilled immigration – that drives down the earnings of low-skilled native-born and foreign-born workers, while raising the return to high-skilled workers and to capital in the impacted area. The result would be an exodus from the impacted area of low-skilled native-born workers, tending to ameliorate the decline in their wages, and an inflow of high-skilled workers and capital to take advantage of their higher returns, tending to dampen the increase in their compensation (Filer 1992). This process would continue until the wages of workers of a given skill level and the returns to capital are again approximately equalized across regions and industries.

The finding of no relation in these cross-sectional studies does not mean that immigration does not affect native wages, but rather that the wage effects of immigration are distributed across the entire country. If labor and capital markets function well and factors of production are highly mobile, as they are in the United States, this dissipation of wage

³ Borjas (1990, p. 88) uses this technique and puts in italics for emphasis that it demonstrates there is no effect of immigration on native wages.

effects occur quickly, especially if the immigration is anticipated. The fact that the immigrants themselves are disproportionately concentrated in relatively few areas or industries should not lead us to expect that the wages of low-skilled workers there would be persistently lower than elsewhere. Far from demonstrating that immigrants have no effects on the earnings of natives, these studies merely confirm the efficiency of labor, capital and product markets in the United States.

(3) “Immigrants pay more in taxes than they receive in benefits.”

The validity of this statement depends, in part, on which immigrants are under discussion.⁴ Given the progressive tax structure in the United States, primarily through Federal and State income taxes, high income individuals pay proportionately more in taxes than do those with lower incomes, whether they are foreign born or native born. This tendency has increased with the expansion of the earned income refundable tax credit for low income families. The broad range of public benefits paid for by the tax system includes cash transfer programs targeted toward the poor, non-cash benefits, such as Food Stamps, subsidized school breakfast and lunch programs, public (subsidized) housing, publicly provided health care (including Medicaid and free medical care at public hospitals), and public schooling. These public benefit programs are specifically intended to raise the living standards of the low income population and, with public schooling a major exception, the receipt is dependent on having a low income.

⁴ Simon (1989), for example, does the computation for all immigrants and concludes that they pay more in taxes than they consume in public benefits. His methodology is open to criticism as it also implies that natives pay more in taxes than they receive in public benefits. He considers all taxes paid, but only some public expenditures. He does not consider differences in impact by level of income or schooling.

As a result, high-income immigrants are likely to pay more in taxes than they receive in public benefits. Low-income immigrants, however, especially if they are legal immigrants accompanied by family members (a spouse and minor children), are likely to pay less in taxes than they receive in public benefits. Thus, the validity of the statement depends on the income level (and hence the skill level), legal status, and family structure of the immigrant worker, as well as the range of taxes and benefits under consideration.

(4) “Sealing the border will solve the illegal migrant problem.”

There are several fallacies in this claim. One is that currently only about half of the illegal immigrants living in the United States crossed the border without inspection, the popular image of illegal migrants. The other half of them are “visa abusers” who entered the US with a fraudulent visa or who violated a condition of a valid visa. Among those who entered with a valid visitor, student, temporary worker, or other non-immigrant visa, the most frequent violations occur by overstaying the time limit or by working in violation of the terms of the visa.

An EWI (someone who “entered without inspection”) or a visa abuser are two alternative ways of being in an illegal status in the US labor market. By raising the price of using one mechanism, for example, by raising the cost of being an EWI, the incentive to use the other increases. Increasing border enforcement provides a stronger incentive for individuals who wish to be in the US illegally, but who cannot penetrate the border, to become visa abusers.

Very high levels of border enforcement provide another perverse incentive. Illegal aliens who successfully penetrate the border would face a high cost of re-entry if they should ever leave the United States. This discourages them from going back to their home country,

whether for a short-term visit or in response to poor US job opportunities in an economic downswing. Instead, it encourages them to feel locked into the US labor market and limits their economic opportunities accordingly

Moreover, there is no way of perfectly sealing the border. The border with Mexico is 2,000 miles long, and the border with Canada is even longer. The cost of constructing fences and walls along even just the Mexican border and of then effectively policing these barriers would be prohibitive. The Border Patrol would have to counter the fence cutting tools and the ladders used to scale the walls and fences. Perfect enforcement at the border is impossible.

This is not to say that border enforcement is without merit. Border enforcement serves as a first line of defense against illegal migration, but its deterrent effect is very limited if an illegal migrant receives *de facto* amnesty once he or she successfully penetrates the border. “Internal” enforcement – that is, enforcement away from the land crossings, seaports and airports – is essential for a comprehensive enforcement strategy.

Since most illegal migrants come to the US for jobs, and those who come for other reasons typically seek jobs once they are in the US, “work site” enforcement is an important component of internal enforcement. The 1986 Immigration Reform and Control Act for the first time made it illegal for an employer to knowingly hire a person not authorized to work in the US. This feature of the 1986 legislation has been poorly enforced by both Democratic and Republican administrations. The growth in the illegal migrant population to its present estimated size of 12 million is attributable primarily to the lack of enforcement of employer sanctions.

Illegal migration can be controlled by the joint application of both border and interior enforcement. Controlled, as distinct from ended. Just as we cannot end other illegal activities, so too we will probably never be able to completely end illegal immigration. As with other violations of US law, however, we can seek an optimal level and strategy for enforcement for immigration law.

(5) “Temporary workers (guest workers and undocumented migrants) will go home on their own.”

Wishful thinking characterizes much of the discussion regarding temporary or undocumented migrant workers. Many workers come with the intention of their stay being temporary and do return home. However, the European experience with guest worker programs (from the 1960’s until 1973) and the US experience with the Bracero program (1942 to 1962) demonstrate that once low-skilled workers from less developed countries experience the high wages, educational opportunities for their children, and free and open society in the advanced liberal democracies, many do not want to leave; or if they have left, they want to return or encourage others to try to migrate. Instead of leaving they often try to bring to the host country their family members, in particular, their spouses, children, and siblings. The WWI song “How Are You Going to Keep Them Down on the Farm Once They’ve Seen Patee” applies as well to those from LDCs working or living “temporarily” in the high-income, developed, liberal democracies.⁵

⁵ The liberal democracies in North America and Europe are at a disadvantage compared to authoritarian states, for example those in the Persian Gulf, when it comes to enforcement of the temporary status for guest workers.

(6) “If low-skilled immigration was a benefit to the US in 1910, it must be a benefit to the US in 2010.”

The fallacy in this argument is that there have been major technological and political changes that make the United States of 2010 very different from that of a century ago. Hindsight about past immigration experiences is not sufficient by itself to determine whether today’s low-skilled immigration is a benefit to the US.

An important characteristic of the 19th century was the change in industrial structure from artisan-based production to factory-based manufacturing. The new machinery and the new methods of production resulted in lower costs for existing goods as well as the introduction of new goods. It also resulted in an increased demand for low-skilled and even unskilled workers who replaced skilled artisans. In response to this “de-skilling” of the labor force, many artisans left the manufacturing cities of the east coast for western frontiers where the old skills were still in demand (Ferrie forthcoming). Others sent their children to the expanding land-grant colleges to enter the labor force as high-skilled workers. In the big manufacturing cities, low-skilled immigrants were in high demand to fill these new production jobs and were easily able to find work.

We are now in the midst of another major change in technology, but it is one in which the premium is on high-skilled workers. In our current science/engineering-based information age, the new technology creates a high demand for workers with technical skills in computer science, bio-technology, engineering, and high-level management, as well as advanced medical fields. Demand has fallen in general for workers who lack these skills, but the decline has been especially dramatic for those at the very low end of the educational ladder.

The long term decline in demand for low-skilled workers has accelerated in the current/recent recession, but the trends of the last few decades are expected to continue unabated after the recovery. In contrast to the economic situation in 1910, the large low-skilled immigration that the United States has experienced in recent decades has arisen not because of high demand for low-skilled workers, but despite a marked decline in that demand.

In addition to these changes in technology, the twentieth century also saw dramatic political changes with regard to public policy toward the poor. A century ago assistance for the poor was not a major public policy concern. If economic hard times fell on a family, even if through no fault of their own, this was considered to be unfortunate but not a governmental concern. Support might come from other family members, church groups, or civic organizations, but government intervention was rare and the poor were expected to fend for themselves. Many immigrants would return to their origin country during an economic downturn, as has even been the case in the current recession.

Fortunately, attitudes have changed. Public policy is now concerned with income inequality, especially at the low end of the income distribution. Detailed data on poverty are reported not just for informational purposes, but as guides to anti-poverty policies. A myriad of cash programs and in-kind programs (for food, shelter, and medical care) are available to help those in economic distress, whether this is a short-term or a long-term proposition. In many respects the public concern for helping those in poverty through the governmental tax/transfer system has had the effect of reducing the role of private mechanisms, whether through the family, the church, or civic organizations. This decline has intensified the poor's reliance on the government for assistance.

Both the change in technology which has reduced the demand for low-skilled labor and the change in policies toward the low-income population have important implications for differences between the low-skilled immigrants of 1910 and 2010. Today's low-skilled workers have more difficulty finding opportunities for upward mobility and are much less attractive for the US economy than their earlier counterparts were 100 years ago.

(7) “Immigrants do not want to and do not need to learn English.”

The two points in this proposition are usually separated and uttered by different groups, with different political agendas. Yet, both are false.

Most immigrants to the US *do* want to learn English, today as in the past. There are strong economic incentives for becoming proficient in English. Employment prospects and earnings are greater for those who are proficient in English and this effect is greater for those with higher levels of other skills, including schooling. The impressive increase in earnings with duration in the United States among immigrants is in large part due to their increase in English language proficiency the longer they live in the US (Chiswick & Miller 2007). There are also many non-economic benefits for immigrants from becoming proficient in English. These include greater access to and participation in the civic, cultural, social, and political life of the country, including passing the English language test for becoming a citizen (Chiswick & Miller forthcoming).

Certain factors, however, make it more difficult for some individuals or immigrant groups to become proficient in spoken or written English (Chiswick and Miller 2007). Older immigrants have greater difficulty than their younger counterparts in acquiring English proficiency, presumably associated with the aging human brain's diminishing ability to absorb and retain new language skills. More importantly, however, learning English (or any

language) depends largely on exposure, practice, and repetition. The ease with which an immigrant or an immigrant group can avoid using English is a crucial determinant of the ability to function in English (Chiswick & Miller 2007).

In many parts of the country the English language acquisition of Spanish speaking immigrants is slowed by the pervasive presence of Spanish – newspapers, TV, radio, and even signage are all available in Spanish. In such areas, one can work and shop in a Spanish language enclave without suffering serious adverse consequences. For most other languages, however, there would be little exposure or opportunity to use the origin language in the US. Hence, whether they want to or not, speakers of these other languages acquire greater English language proficiency sooner than do Spanish speaking immigrants. Regardless of the English language proficiency of immigrant parents, however, the US born children of immigrants are invariably proficient in English. Among adults in the second generation English is the main language spoken in virtually every home, and by the second or third generation the ancestral language is usually lost (Chiswick & Miller 2007).

(8) “Family based visas promote fairness, employment based visas are elitist (if not racist).”

It has become commonplace in the US to view family ties as the most appropriate mechanism for allocating visas among the increasingly greater number who want to immigrate to the US than there are visas available. It is highly ironic that in no other sphere of public life do we ask – or are we even permitted to ask – the question “to whom are you related” (nepotism) rather than the question “what are your qualifications” (meritocracy).

In 2007, for example, about 65 percent of the one million permanent resident visas were issued to the spouses, children, parents, and siblings of US citizens or permanent resident aliens (Department of Homeland Security, 2008). Only 16 percent of visas were

allocated to workers (and their spouse and minor children) primarily on the bases of the worker's skill upon application by a US employer who can demonstrate that there are no qualified citizens or resident aliens available at prevailing wages who can perform the job. A small number of visas in 2007 were issued on the basis of refugee status (13 percent), through a "diversity visa" lottery (4 percent), and on other criteria (2 percent).

The view that it would be racist to allocate visas on the bases of the applicant's skills stems from the false notion that such visas go primarily to whites of European origin. With the abolition of the virtual ban on South and East Asian immigration in the 1965 legislation, it was the employment and investor visas that served as the mechanism for many Asians to gain entry into the US. More recently, increased immigration from Africa has also come about through the employment visas. The employment visas provide immigration opportunities for skilled workers who do not have family members already established in the US. They have, therefore, expanded the racial and ethnic diversity of the immigrant stream, and hence of the American population.

(9) "Charging large fees or auctioning visas is discriminatory."

Since the United States apparently does not want to return to the "open door" policy regarding immigration that largely prevailed in the 19th and early 20th centuries (see point 6 above), nor does it want a "closed door" ban on immigration, a mechanism is needed to ration the limited supply of immigrant visas among the much larger number of those seeking a visa (the demand). Thus far a non-price rationing mechanism has been used, based primarily on relationship to a US citizen or resident alien and secondarily on the applicant's ability to find a sponsoring employer.

Since US wages are often far greater than the wages they can receive in their home country, those immigrants fortunate enough to obtain a visa usually find that living and working in the US is like winning a lottery – their wealth has increased greatly. The windfall that this implies can be very large. Selling or auctioning legal visas would permit the native-born US population to capture some of this economic rent and partially compensate for any adverse consequences of increased immigration. If Americans could receive a greater benefit from immigration through this mechanism, public support for an increase in the number of visas issued annually might be more broadly based than it is today.

There would be several concerns regarding requiring the payment of the large fee at the time of immigration (Chiswick 1981). One is that because of capital market constraints many immigrants could not pay the fee “up front” from their own resources and could not borrow the funds from conventional and legal lending institutions. Another concern is the uncertainty as to how successful they would be in the US labor market, perhaps discouraging applicants who are risk averse. A large upfront fee would also discourage those who plan on staying temporarily, or who are concerned that for family or other reasons they might want to return home. A possible solution to each of these concerns is linking the payment of the visa fee to a surcharge on the Federal income tax. This would relax the capital market constraint, provide insurance against wage uncertainty, and make the fee a function of the immigrants’ duration in the US. To avoid abuse, such a program might be limited to those with more than a minimal level of skill.

(10) “Immigration: Are you for it or against it?”

I am frequently asked this question, and a one word answer, for or against, is usually expected. But, this is the wrong way to pose the immigration question. What are the

objectives of an immigration policy – family reunification, refugee relief, economic benefit to the current US population – and what are the relative weights to be given to each of these objectives? Another question is: who gains and who loses from alternative immigration policies? Are there mechanisms through which the gainers (including the immigrants themselves) can compensate others, especially those who lose? How can we enforce immigration law both at the border and away from the border (workplace enforcement) while minimizing the adverse effects on those with a legal right to work in this country and on employers who obey the law?

A rational immigration policy can be developed for the United States that is consistent with our economic interests, humanitarian concerns (regarding both families and refugees), and civil liberty objectives, but to do so requires an understanding of the myths and fallacies that have dominated the immigration discourse for far too long.

Immigration as a whole has been beneficial to the US, and there is every reason to believe that a well designed immigration policy can continue to be beneficial. Such a policy includes legal mechanisms for permanent and temporary migration and the enforcement of immigration policy at the border and in the interior, especially work site enforcement. An optimal immigration policy would not be an “open door” nor would it be a “closed door”. Thus, a mechanism is needed to ration the finite number of visas among the greater number of potential applicants each year.

An immigration policy for the 21st century must consider the nature of the American economy, the skills that are in high demand, and the types of workers who will contribute most to maintaining US economic leadership in a global economy. It must also consider the myriad of tax policies and transfer programs that redistribute income and wealth in the US.

Family-based visas benefit the visa recipient and his/her family but are likely to have a smaller overall favorable impact (and perhaps a negative impact) on the US economy, the tax/transfer balance, and the US populace as a whole compared to a visa policy that focuses on the scientific, technical, managerial, and entrepreneurial skill that immigrants can bring to the United States. With an increase in the favorable impact of immigrants the American public would be more inclined to increase the number of visas that are made available annually.

The short answer to the question as to whether I am for or against immigration is:

“Yes!”

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