

Renewing America, Revamping Immigration

Jennifer Hunt

In a Hamilton Project proposal, Hunt identifies reforms to the U.S. immigration system that would increase its economic benefits to the native born, enforce its fairness, and strengthen the application of its laws.

Overview

Because immigration to the U.S. is low by international standards, increasing immigration is a policy that could have positive economic, cultural, humanitarian, and geopolitical impacts. This proposal suggests improvements to immigration policy that balance different objectives while considering social science theory and empirical findings, ethical issues, public opinion, and associated political constraints.

The Challenge

There are long-standing and substantial weaknesses in the current immigration system that invite wide-ranging reforms. The incomplete application of immigration laws—evident in the nexus of unauthorized immigrants who have been in the country for some time, ongoing border crossings without inspection and overstays of visas, and asylum seekers at the border with Mexico whose numbers periodically overwhelm American administrative capacity—is a salient and acute problem.

Furthermore, the current immigration system fails to provide the greatest possible economic benefits to the native born. One reason for this failure is that immigration is relatively low. Another is that the system does not prioritize the immigration most beneficial to the native born. Immigration to the U.S. does not affect native-born workers' employment rate or average wages but does reduce the wages of earlier immigrants and native-born individuals who have not completed a high-school education. For example, there are special provisions for admitting the most highly skilled mid- or late-career professionals but not for admitting their younger counterparts.

The Path Forward

Hunt proposes improvements to the immigration system within its existing framework because the current system has many good features, smaller changes are easier to

implement, and the implications of these relatively small departures from the existing system are better understood economically. Hunt proposes to:

- Increase immigration inflows in all categories except family-based immigration, where inflows would be reduced by ending the eligibility of most siblings of U.S. citizens.
- Shift inflows from family-based immigration to employment-based and humanitarian immigration, while high-skill workers' share of employment-based inflows would increase.
- Facilitate long-term immigration and promote high wages for the most skilled immigrants of all ages.
- Facilitate entry for immigrant health and care workers of both medium and low skill to increase provision of crucial services.
- Render legal agricultural immigration more attractive, to reduce extralegal immigration.
- Provide new legal channels for temporary low-skill immigration outside agriculture.

As a result of these reforms, the stock of immigrants would increase by more than the inflows as high-skill immigrants on temporary visas take advantage of uncapped transitions to a green card. New immigrant arrivals would initially increase by approximately 130,000 annually, with caps subsequently expanded in line with GDP growth. Hunt notes that these reforms to the immigration system should be accompanied by legalization of undocumented immigrants and improved interior enforcement of the laws, though without recommending specific proposals.

About the Author

Jennifer Hunt is a Professor of Economics at Rutgers University and a Research Associate at the National Bureau of Economic Research; and, has served as Chief Economist of the U.S. Department of Labor and as Deputy Assistant Secretary for Microeconomic Analysis at the U.S. Department of the Treasury.



Effects of Annual Changing Caps on Annual New Immigrant Arrivals

Program (1)	Recipient type (2)	Old cap (3)	New cap (4)	Change in cap (5)	Share of recipients who are new arrivals (6)	(5) x (6) = Change in new arrivals (7)
1. Temporary work visas						
H-1B	Bachelor's	85,000	195,000	110,000	1	110,000
H-2B	Less than bachelor's	66,000	106,000	40,000	1	40,000
2. Employment-based green cards						
EB-1	Bachelor's or extraordinary ability	40,040	0	-40,040	0.057	-2,282
EB-2	Bachelor's	40,040	0	-40,040	0.087	-3,483
EB-3A	EB-3A: bachelor's	30,040	0	-30,040	0.315	-9,463
EB-3B	EB-3B: less than bachelor's	10,000	0	-10,000	0.398	-3,980
EB-5	Investors	10,000	0	-10,000	0.823	-8,230
3. Family-based green cards						
F1	Unmarried major children of U.S. citizens	23,000	33,000	10,000	0.853	8,530
F2A	Spouse, minor children of green card holders	90,000	None	—	—	—
F2B	Major children of green card holders	26,000	36,000	10,000	0.909	9,090
F3	Married children of U.S. citizens	23,000	33,000	10,000	0.912	9,120
F4	Siblings of U.S. citizens	65,000	11,000	-54,000	0.920	-49,680
4. Refugees						
		125,000	155,000	30,000	1	30,000

Source: Share of new arrivals sourced from: <https://www.dhs.gov/immigration-statistics/yearbook/2019/table7>, accessed October 8, 2022.

Note: Visas or green cards are divided by education according to the education of the principal applicant, though spouses and especially children are likely to have less education. To calculate new arrivals by education (which is proxying for skill), EB-1 recipients are all classified as bachelor's degree holders, while 50% of the EB-3A and EB-3B recipients are classified as bachelor's degree holders. It is difficult to judge to what degree removing the F2A cap will increase new arrivals. The table uses the base numbers of W and H-2B visas.