

THE BROOKINGS INSTITUTION
WEBINAR
THE ECONOMIC BENEFITS OF IMMIGRATION

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PARTICIPANTS:

Welcome:

ROBERT E. RUBIN
Former U.S. Treasury Secretary; Co-Chair Emeritus, Council on Foreign Relations

Fireside Chat:

THE HONORABLE JOE MANCHIN
U.S. Senator, State of West Virginia

GLENN H. HUTCHINS
Co-Chair, Board of Trustees, Brookings Institution; Chairman, North Island and North Island Ventures

Roundtable 1:

TED GAYER (Moderator)
President, Niskanen Center

CARLOS A. GUEVARA
Director, Immigration Policy Project, UnidosUS

JENNIFER HUNT
Professor of Economics, Rutgers University

DANE LINN
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Roundtable 2:

EDUARDO PORTER (Moderator)
Columnist, Bloomberg Opinion

ANNA MARIA MAYDA
Professor of Economics, School of Foreign Service and Department of Economics,
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David M. Rubenstein Fellow, Economic Studies, The Brookings Institution

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Robert Rubin [00:00:19] Okay. Great. Good afternoon. I'm Bob Rubin, and I'm pleased to welcome to all of you on behalf of my colleagues at the Hamilton Project. We are convening experts today, which we're delighted to do, and we are especially honored to have Senator Joe Manchin with us to discuss the economic benefits of immigration, an issue that he has been very much focused on.

The country, our country has, our country has a rich history of welcoming people from around the world, and that's been enormously to our advantage economically and socially. I think there's widespread agreement today that our immigration system stands in need of comprehensive reform. There are many elements to this issue, the question of comprehensive reform, yes, but is an urgent one if we're going to achieve the economic benefits that immigration has traditionally provided with our country and can in the future. There are no easy answers, but the Hamilton Project today does is going to offer some suggestions in the form of two strong programs. The first outlines reforms to employment based and family-based immigration aimed at creating greater economic benefits to be had from the increases in immigration that are envisioned in the reforms. Second proposal addresses the question of federal transfers to state and local governments to compensate for the short-term cost of immigration.

We are enormously pleased and honored to welcome Senator Joe Manchin, one of the most influential voices in the Senate, and Glenn Hutchins, co-chair of the Brookings board of directors, the Board of trustees, I should say, and a founding member of the Hamilton Project Advisory Council to kick off our discussion. I might add one more point about my interest in immigration was what heightened about three or four years ago when Glenn at that time, maybe four or five years ago, I don't remember, controlled a goodly number of high tech, technology companies. Glenn said to me that they they're considering the possibility of having to move operations outside of the United States because they couldn't bring the outside experts into the United States. And that, it seemed to me, would manifest in a very clear way, a tremendous shortcoming in our immigration system. So with that, I will turn the program over to Senator Manchin and to Glenn, program is yours.

Glenn Hutchins [00:02:40] Thank you, Bob. Joe, thank you for joining us. And before I get started, I want to thank you for your enormous service to our country and to West Virginia over so many years. You're a real American hero. There is, I know we're supposed to talk about immigration today, but there is a question on everybody's mind that I need to ask you. And living here in New York, right next to Connecticut, I think your friends are talking a bunch of trash about the Connecticut

Marshall game on December 19th, the big football game. I'm curious if you have a, you want to make a prediction for us.

Joe Manchin [00:03:10] Well, Marshall, I mean, Marshall's really got their act together right now, Glenn, they're playing extremely good ball. They got the right quarterback and it's all gelling. They had a, you know, beating when they beat, when they won and beat Notre Dame, it was a—.

Glenn Hutchins [00:03:25] Big day, huh?

Joe Manchin [00:03:27] It was a big day. But then they fell on some hard times. The team wasn't gelling. I've never seen a team come together as quickly and as good as this team has during the last run of the season. So I would say they're going to be hard to beat. They're going to be hard to beat, I give them the upper hand.

Glenn Hutchins [00:03:41] I think everybody in this call is going to be rooting for, for Marshall now. Joe. So, Tip, thank you. Tip O'Neill once famously said all politics is local. So let's, on immigration, let's start with the point of view of the citizen voters of kind of West Virginia. You, I understand, correct me if I'm wrong, that you think immigration would be good for the West Virginia economy. Can you kind of elaborate on that a little bit for us, please?

Joe Manchin [00:04:07] Well, John Deskins is a professor at Western University. He's an economist. And I said, John, tell me, you know, we have a low participation, workforce participation. We have so much opportunity come in with all the new bills we passed, bipartisan inflation, bipartisan, so, yeah, the infrastructure bill, the bipartisan infrastructure bill, which we did, there was \$100 billion in energy projects. Then we do the, in, the Inflation Reduction Act, the IRA, which is \$369 billion. And I'm concerned we don't have the workforce ready to go. And I know in states like West Virginia, which we have a tremendous amount of energy, we're going to need, we're going to need workers, just basically people who are here for the right reason want to work. And with that, you know, you've got to do some things. I was very, very supportive of the 2013 immigration bill that was done by the Gang of Eight and it was bipartisan.

But Glenn, we're not going to get any traction at all unless we can come to an agreement that we must have border security. Now, people thinking, well, wait a minute, Trump was over, going over the wall. We need a wall, and there are certain areas of this country that's the wall works. But on the other hand, you don't need a wall everywhere. You need technology and you need more agents. We've proven that. So we've looked at this thing inside and out, and it's going to take a commitment.

But if we can't get everyone on the same page that we will secure our borders, then we're not going to be able to go forward because the political divide is too great. So just come to that.

There's not, not a country that doesn't have a good border security plan and be able to exercise that, that has a good immigration plan. And then we need to make sure that first of all, it makes no sense to me when you get the best and the brightest coming to your higher educational advanced degrees. That if they come here and we vet them, knowing that they would be someone that basically wants to be in America, would love to stay in America, and has skill sets that we need, whether it's in STEM or anything, education, whether it's going to be in health care, whatever it may be, but in the professional arena, then they should get an automatic green card upon finishing their degree. And then work toward citizenship. And then, on the other hand, you have workers we need in so many arenas, inflation's getting devastated. But you know what? We've never had 11 million jobs we couldn't fill. We've never had it. And unemployment is 3%. Something's not working, Glenn, it's not too hard. It's not rocket science.

Glenn Hutchins [00:06:51] So let's. Well, let's go, you just said, quite typically, a bunch of very interesting stuff in a very concise and cohesive way. Let's take it apart a little bit. Come back to [inaudible.] Have you experienced an issue in Virginia with what people call the brain drain of kids who come to school, they're going to get a get a good education particularly in the STEM fields and then have to leave because they can't get green cards. What would you, or are you thinking about how to retain that population in West Virginia?

Joe Manchin [00:07:23] I'm just saying it's everywhere. And when you had advanced degrees, WVU, Marshall, have advanced degrees, okay in our two universities and we see that. There's people that want to stay that would love to be here, but they basically their time has expired and that makes no sense whatsoever. And I just said, you know, we make, we're making exceptions for athletes but not for academia. It doesn't make any sense to me at all. And then we talk about and here's the other thing, I know we're going to get into it and talk about, how about the lack of health care providers in rural America. You got over 66 million people that live in what we identify as rural America. West Virginia states are very rural and that's tremendous, 20% of the population, well, they have the same needs that you have if you live in a metropolitan area, exactly the same needs. And we're not able to fulfill that.

And then I've got people saying, well, I've got so much, I've got so much education debt from college debt. So I want you all to forgive it. I said, I'll tell you how I can forgive your debt. I need you to work for four years in an underserved area. There's ways that you can offset and work your debt off. We do it with the military. We do it with professionals all around society. And I don't know why we can't make a major effort to get that done also to meet the needs. But we just have lacked for some the will to do what needs to be done. Being able to say, we're not going to send you a free check or a free ride, but we're going to be your best partner. We're going to show you how you can basically offset your long-term debt obligations by giving short term services.

Glenn Hutchins [00:09:07] You know, that was actually the question that came to us from the audience, actually, someone from West Virginia who asked if issues like reducing the barriers for qualified workers to to work in health care in rural communities—.

Joe Manchin [00:09:22] Sure.

Glenn Hutchins [00:09:23] Could be one solution. What other, and so you seem to think that's a that's a very good idea. And you'd pair it with debt relief or some sort—.

Joe Manchin [00:09:31] Debt relief. I mean, everyone, everyone seems to be carrying a heavy load of college debt.

Glenn Hutchins [00:09:35] Right.

Joe Manchin [00:09:36] Of education debt. Well, if that's the case, then let me tell you how you can relieve that. And so when they called me, and they were I knew it was going to be a hot topic. Glenn, about are you in favor of forgiving student loans?

Glenn Hutchins [00:09:49] Right.

Joe Manchin [00:09:50] I, I'm in favor of basically reducing student loans to work agreements and forgiving them after the work agreements are, you know, have been fulfilled. Absolutely. And that's what's, so when they called my office, we had a litany of things we would tell a person what they could do, whether they were in education or they were in health care, allied services, whatever they did, whatever their education was in, there was a need somewhere in America, that we had shortages that people weren't getting the same services. They were deprived.

Glenn Hutchins [00:10:21] Would you pair that with a visa for people who are willing to kind of do that kind of work in those communities?

Joe Manchin [00:10:28] You're talking, you're talking about immigration. If they can't—.

Glenn Hutchins [00:10:30] You're link, you're linking, you know, debt relief and, and immigration.

Joe Manchin [00:10:36] Yeah. And really, if we don't have, if we don't have the necessary wherewithal or the personnel to fulfill this need is greater than what people we have. Absolutely. You know, we can pick and choose pretty good for categories that we need people to work in. I mean, I'm getting it from the H-2B visas. We extended those. They took the cap off of that because they knew we were in trouble. Your services that you have, whether it be in restaurants, whether it be in landscaping, whether it be in all of the very intense labor type of jobs, has been basically harmed, if not irreparably harmed, because the COVID, after COVID people changed their life. They've changed their life habits, if you will. And it's just created real havoc. So we have to adjust also. But I can tell you the stumbling block, the big elephant in the room is border security. Now, some people that means, what we do, Glenn, they think is amnesty. Amnesty is not giving a person a chance in life. That's not amnesty.

Glenn Hutchins [00:11:43] Gotcha. Well, you said, we're going to come back to that shortly and we got two kind of other contextual questions I'd like to ask you first if you don't mind. The first one has to do with a subject that you have been very focused on, I think very early getting focused on and a leader, which is inflation fighting in the country. You and I have talked about that the last year and a half a lot. And Jay Powell recently came to Brookings and identified reduced immigration as one of the key causes of inflation. Too few workers for the jobs that are available. Do you, do you share that view?

Joe Manchin [00:12:18] Oh, absolutely. But we saw this coming long before they identified it. I mean, it had a hard time getting everybody on the same page. I'll never forget someone in the administration was telling me that we have 17 Nobel laureates. I said, you got 17. Very, very bright people are telling you what you want to hear, not what's accurate.

Glenn Hutchins [00:12:38] Smart enough to tell you what you want to hear.

Joe Manchin [00:12:42] That's exactly. They're very smart on that. So these are poet laureate, these Nobel laureates, and I'm saying I don't doubt their qualifications, but a blind man could read this inflation coming because we just had thrown over \$5 trillion, over \$5 trillion after the IRA. And we passed that I think in February, I mean, the ARP American Rescue Plan.

Glenn Hutchins [00:13:06] Right.

Joe Manchin [00:13:07] So we're up to 5.2 trillion now our budget for the years only 4 trillion. So we've doubled our budget in one year there's a lot of money floating around, Glenn, and we have a lot of pent-up demand because then you had the pandemic. So basically with the pandemic, you're cloistered in your homes. You can't move. You can't go. You can't, not a whole lot you can do. And as soon as that was broken, when we had the vaccine that was effective and we started giving some relief to the pandemic requirements we put on people, we saw, everyone saw it, and people I know in Wall Street, New York, said it's going to hit, hit hard. And I said everything I'm saying, they gave me comparisons. They said, we never seen anything like this. We've never seen this much money in, in circulation. And the pent-up demand, because you had a perfect storm. The pandemic, you're cloistered in. More money was coming at you that you couldn't get rid of, so your savings went up, everything. They were just waiting. It's like the horse at the gate just can't wait to do what its trained to do, which is run.

And when it hit, it hit hard. And there was no way that we could catch it. And people weren't coming back because we put extension unemployment benefits on. And you couldn't take anyone, you couldn't basically enforce the rules we had. Nothing made sense to me. And I said, you ought to, they wanted to double, they wanted to go from 300 to \$400. Remember, it was 600. Then it went down to three. And then they want to go up to four. And I said, are you, how do I go home and explain to people that basically we have a vaccine now you can go back to work, but really, if you can just stay unemployed for a little bit longer, you'll get a raise. I said, you people have lost your mind. Totally lost your mind. Makes no sense. And I said, next of all, you're going to extend this crowd to October. You should basically stop those benefits and go back to the regulations that we have on unemployment, that basically, if you're called back to work and you're not, you're not with COVID or you're not sick, that you have to go back. If not, you'll lose your unemployment benefits.

So we never purged the workforce to go back, Glenn, nothing. We basically helped them not go to work and create more of this shortage. And it really accelerated inflation. So we're guilty. The government is guilty of this. No way, shape or form around it. And then and then I was urging the feds. I said, come on, guys, you got do your job, too. Everybody's got, John, what you sitting back waiting for? And then when they got started, they got they got going. But they got a little bit late, Johnny come lately.

Glenn Hutchins [00:15:47] So you, but you see immigration as increasing the amount of workers and that, and immigration increase the amount of workers and putting pressure downward on inflation. You think that'd be a long term positive for the—.

Joe Manchin [00:15:57] Well absolutely Glenn our birth rate's not where it needs to be for us to produce the workforce we need in the coming generations. So where do you get it from? We're dealing with countries that basically have an average age of 25 or 29 years of age, are their citizens. We're at a disadvantage. So you've got to balance this out. Someone's been rationale, take the politics out of it, take the politics out of it, and put the necessity of what it takes to maintain this economy that people can have an opportunity. Now, some people believe that the more people you put in there, you're going to drop more prices down. No, not if we don't do it right. The prices aren't coming down as far as—.

Glenn Hutchins [00:16:35] Yeah. Got it. So you're, you and Jay Powell are in agreement there. What about, you mentioned a little bit earlier, you used the word infrastructure, Joe. And I got a question from the audience here that gets at that point, I wonder if you could, you could respond to what it says, quote, how does immigration policy fit into investments in infrastructure that West Virginia and the US are making?

Joe Manchin [00:17:00] You know, there's a transition going on. When, when, when me and my staff wrote the energy part of the Inflation Reduction Act, which is \$369 billion, we did that for energy security. Glenn, that's the only purpose I got involved because I couldn't believe what I was seeing from my own country. They were going around the world asking Venezuela, Iran, maybe, lifting sanctions, talking to Saudis, asking them and begging them to produce more product, more oil, to bring the prices down, which were basically crippling our economy with high gas prices, high transportation prices. And I'm thinking, wait a minute, we can produce, we can produce more oil. We were at 13 million barrels a day back in 2019. We're down to ten and a half. We're back up to 12 now. We can go to 15. We have more gas, natural gas than any other country. We have an ocean of gas in West Virginia. Can't build a pipeline. That's why we need permitting reforms. You can't build a transmission line and that's why you need permitting reforms. You can't do anything in this country that competes with all of the developed nations that even with strong environmental oversight, Canada is around 3 to 5 years maximum in getting anything done. Australia's 1 to 3 years. Here we are, five, seven and ten and beyond. We're doubled and I'm just saying that's why we have to change.

But anyway. All of this, the jobs that are coming to West Virginia, hydrogen, hydrogen opportunity, natural gas, making basically hydrogen from gas or blue hydrogen, all the different things we have. Also, Glenn, where I got, I've got Bill Gates coming in for to talk about the SMR, small modular reactors. Now. How does that fit in? We have a coal plant has been timed out. Its life expectancy is gone. But it has all the switch gears are there, can we bring another power unit and set right in there, and do it? So we're looking at everything we can. We need these type of workers that have that expertise or that are trainable, and we don't have them right now because they're an older workforce that's retiring.

Glenn Hutchins [00:19:06] And that goes back to the issue that Bob raised earlier about having workers outside the United States and rather than having activity outside United States bring them in the United States and have the activity here is kind of your support, right?

Joe Manchin [00:19:17] I mean, yeah, that was a whole, hey let me tell you another thing. Batteries. I mean, you know, this country wants to go to EVs or electric, they think it's all going to be clean and green. The bottom is bottom line is, Glenn, this is the first time in the history of the United States of America that we have had to have foreign supply chains and depend on foreign countries to supply us the mode of transportation and how we're going to make it work. Because we didn't make the batteries. We don't have the rare earth minerals. We don't have the anodes and cathodes. We do none of the processing. So we put an effort there that if you want to get a credit for an EV car or a hydrogen car or hybrid, then that product, the rare earth minerals and the products have to be sourced either in North America or from our free trade agreement countries or and then it has to be produced in North America to get the credits. So we have to, we have to jumpstart and build this industry as quick as we possibly can. That's a tremendous amount of labor. You're talking just now, just down in the southern part of the country, a battery factory, 5000 people. Where are they going to come from? 5000. They don't have that kind of unemployment right now.

Glenn Hutchins [00:20:29] Very interesting. So Joe now let's switch to the issue you've raised a couple times border security. You've just to simply delve into that a little bit. You obviously you said earlier in this conversation why you think it's so important. But let me ask you a broad-based question that comes from our audience. Is there really a crisis at our border or is that political height? People see, you know, Representative McCarthy threatening to impeach, Secretary Mayorkas interpreted as, some people interpret it as political stunts, some people interpret it as sort of the right

kind of thing to do because of the crisis at the border. How do you see the problem itself to begin with?

Joe Manchin [00:21:13] Well, I've been there.

Glenn Hutchins [00:21:15] I know that's what I said. Sorry I meant to say you've been there, and you've seen it. So what do you—.

Joe Manchin [00:21:17] It's one thing. It's one thing to talk about and one thing to hear the political pundits, depending on what network you're looking at and listening to and how they twist it. But when you go down there and talk to the agents and they show you where they're coming across, they show you the different problems, they show you what time, they show all the things you're dealing with, they show the influx coming on to our side. I was in Texas and where it was really a tremendous amount of people coming across. My heart goes out to everybody that wants to enjoy the American life. There's a proper way to do it. There's a proper way to do it. But just getting your feet on the soil of America and saying, hey, can't throw me back out, that Title 42 was used for a pandemic, with the pandemic, we need Title 42 to be used for the border security. We have to have the ability to basically send people back until they properly are vetted. We can't have people coming here that we don't know where they came from, why they came here, and for what purpose they're going to do it. What's the skill sets? We can do all of that. So I've been very, very adamant about that.

But I can tell you, in talking to the border, the Border Patrol people, they put their life on the line for this and what they have to go through, that's real. But now the hyper that you see going on from different political parties, it's inhumane or you're basically not tough enough. And this and that. We just don't have the barriers that we can and security that we need. That's the problem. And like I said, I know that President Trump kept the border, the border, the border wall, the wall, the wall, make Mexico pay. Well, the best way to make Mexico pay is tell Mexico to put a border, a wall on their border, southern border. It's only 150 or 60 miles. But we have 2000 miles. That would be much easier if he was serious about that. But no one, no one took the practical, reasonable approach.

Now we got a situation to where we got them coming from all over, not only South America, from every depressed part of the world. They're coming through the South. We cannot basically streamline them in unless there's a process of how we do it. So if West Virginia, if we need 60,000 workers and we're 60,000 workers short, then I would say that we had at least try to bite off 5000 at a

time and see if we could make it work. Placing them, helping them, things of that sort through a process that basically is a legal process into our country.

Glenn Hutchins [00:23:41] So let's talk about Title 42 for a minute. Again, you put a bunch of stuff in there and let's see if we can back up just a little bit. One commentator I read in preparing for this described title 42 as the most effective wall that Trump erected, right? Yeah. And a lot of people aren't aware that it's, part of, it was a public health measure, not a border security measure.

Joe Manchin [00:24:06] Correct.

Glenn Hutchins [00:24:07] That people are not being deported; they're being expelled from the country. And they're in a very different immigration status as a result. And that a federal judge has given the administration only till December, I think it's 21st, before that policy has to go away. So number one, do you think section 42 is the, Title 42 pardon me, is the right way to do this? It's another one and number two is what happens on December 21st.

Joe Manchin [00:24:38] Well, first of all, it's the only thing we got, Glenn. It's the only thing we got that we know that did work. We could, we could, we could basically legally send them back. We knew that. Until we could properly vet them. That's all. And we can't do that after the 21st. Myself, and John Cornyn from Texas, who's right on the thick of it, have been working on something, if we can, to see if we can get consideration on repealing that. You talk to about Mayorkas, secretary Mayorkas.

Glenn Hutchins [00:25:08] Right.

Joe Manchin [00:25:08] Secretary Mayorkas is a good person. I know him. He wants to do everything he possibly can. Now he can only do what the administration allows him to do. So if you think by changing the person, if the president and the administration doesn't change the approach to this, that's not gonna make a difference. So using him on the front line saying we're going to impeach him or this or that to sound tough. Well, you know, he's very knowledgeable. He can get to it. Let him go. So I'm encouraging the administration. Let Secretary Mayorkas do his job. He will do it. I guarantee he'll do it. He's tough and he can do it, but he has to have the green light and he hasn't gotten it. That's just, that's my evaluation. That's my evaluation and oversight being here, watching what's going on. So I'd like to see that happen. Next of all, like to see 42 made permanent from Department of Health Human Services. Okay. For the defense, what we need on border security, I think it would help tremendously. And we need more electronics. We need more money. We need more border agents. We need to use the things that we know that work.

Glenn Hutchins [00:26:13] So if, if legislation is not passed in two weeks.

Joe Manchin [00:26:22] If it's not extended, let's say the.

Glenn Hutchins [00:26:24] If Title 42 is not extended, is, is a legislative fix the only way to extend Title 42, given that—.

Joe Manchin [00:26:28] I think the President can do it, the President can do an executive order, extend it. I think so and it could be taken to court if they want this and that. But the executive powers, he has the ability to do that. I believe, if I'm wrong, I hope someone will correct me, but if he wanted to extend that for 30 days or 60 days, if he knows we're working in earnest to get a fix. Now, he might not agree. I don't know.

Glenn Hutchins [00:26:53] So let's talk about for as on this, we're getting short on time here, about asylum seekers versus what you might call economic immigrants. And, you know, in Title 40, Title 42 has applied equally to economic migrants as to people from Cuba, Venezuela and Ukraine. And so how do you think about in the mix of you talked earlier about needing STEM workers and retaining high quality students who've done, who've been trained or experienced those sort of things. How do you think how, how do asylum seekers fit into this? And I'm going to put this in the context of a question from the audience, which is how can we balance the needs of asylum seekers while also prioritizing, prioritizing domestic needs for high skilled immigrants? How do you think about those two things together?

Joe Manchin [00:27:46] First of all, asylum seekers should be basically vetted in their countries, home countries. We know exactly where the majority are coming from with our South American countries that most of our immigration immigration's coming from or coming through. We need to build out basically where our, whether it be our embassies or consulates, to where we're able to vet and hold and protect until we get the vetting done to make sure that that's the process that a person should be coming because it's for real. We can do that. But as much, so much, once they make that voyage and spend their money to come to America and then we're going to send them back and we haven't, shouldn't we eliminate that process? And that can only be eliminated by vetting in-country. If you're an asylum seeker to the United States of America, you go to this consulate, that consulate, this embassy, whatever, and we will be able to and if you're going to invest money, that'd be the cheapest way for us to invest money.

You know, we have domestic violence shelters all over America, right? Because we're trying to protect people in danger. Can't we invest a little bit knowing what the dangers these, so many of these people are honestly going through and being taken advantage of? I thought that would be the best investment we could make in our foreign policy. I really do. And secure. And then basically, you asked me about as far as, then how do you defer? Yeah. How do you balance it between those that we really need? You start to vet them, too. I think you know a little bit about the Chinese, that basically the graduate students who come and what we found out, what was going on there and causing us damage and as far as espionage and things of that sort, very much concerned.

We have to do a much better vetting job. And the culture they come from knowing what commitment they're going to have to the country they come from and the harm their families may be left in when they come, if the families don't come. You bring out you bring a worker, whether it be a man or a woman and the family's left behind, and the country that they come from is using them as a hostage and threatening, I'll guarantee you they won't be as productive as they should be in our country. So you've got to make some decisions if we're going to do this, and we need this type of worker. We need a family support. Now, is there going to be church based, faith based? What's going to give that support in a community? How much, the government can only do so much. It's going to have to be we all need these type of people coming in for the right reason. It's just basically keeping the people out for the wrong reason. That's what we've got to do and that's takes a little bit more work
Glenn.

Glenn Hutchins [00:30:13] So Joe, as we draw to a close here, one last topic for you, which is what are the prospects for litigation? What's the legislation, pardon. What's the art of the possible? Either both in the lame duck or in the next Congress.

Joe Manchin [00:30:28] Well, the lame duck I know there's a couple of things been pushed around a little bit, but I don't see any movement there whatsoever. I think it's weak on, on border security, border control, border security. I think go back to the 2013, take a bill in the Senate that basically passed with 68 senators, Republican, Democrats, all of them have left. But let's use the concept. The whole concept of that bill was nobody could become a legal citizen until we had the border that we determined was secure. If the border wasn't secure, that was our main thrust. And we put a ton of money towards, towards technology, walls, electronics and border agents, I mean, a ton of money. And that was the first thing.

So we had dreamers that we accelerated quicker, you know, the dreamers who basically came to the country with their parents. We had a queue system to where a person who has been here for 20 years illegally would go and get into the queue if you would at the courthouse and give them a pathway to citizenship, but they'd be in the back of the line. It would take 10 to 12, 13 years. They weren't jumped from, leapfrogging anybody, but there was a pathway. And then we had people that protested in the House, we couldn't get even a vote in the House, Glenn because at that part there was a far-right movement, the Tea Party movement, that basically said any person who comes here and came here illegally, even if they'd been working in the military, even if whatever came here illegally, that was amnesty. And we had to throw them out. No sense, no common sense at all.

Glenn Hutchins [00:32:03] So, Joe, we've, we've taken up far too much of your time. You've been very generous with us today. I want to finish this where I started, which is you've been a real leader for our country. And just in the last 18 months, inflation, infrastructure and now immigration, taken very principled, thoughtful stands. You've clearly understood the issues very thoroughly, been very generous, sharing them with groups like this. Thank you very much. And happy holidays to you and your family.

Joe Manchin [00:32:30] Well, Glenn, same to you all, another thing I'd say about everything as we wrap up here, if you have, if you've been blessed with a life in America, there's other people like to have that same opportunity. And we can never forget that because we are who we are by who brought us here, how we got here, and what they came for. And I know we can all look at our ancestry, and there's a reason for us to be in this great country. So let's never forget what built the country and what it's going to take to maintain it.

Glenn Hutchins [00:32:56] Thank you. Thank you, sir.

Joe Manchin [00:32:58] Okay. Thanks, Glenn. Thank you. Appreciate it. Bye bye.

Glenn Hutchins [00:33:02] Now, it's my great pleasure to turn the program over to my buddy Ted Gayer, the CEO of Niskanen Institute. Ted, take it away.

Ted Gayer [00:33:30] Glenn, can you hear me now? All right. I have a lot of things flying on my screen, so pardon me. Thanks, Glenn. And good afternoon, everyone. Thanks for joining us today for this panel discussion on how to make the immigration system more equitable. Glenn said, my name is Ted Gayer, I'm the president of the Niskanen Center, where we advance policies that support

a strong and effective public sector and a dynamic and competitive private sector. And under that context, immigration reform is one of our policy priorities.

As was said in the previous panel on the opening, and I'm sure will be mentioned in the discussion on this panel as well, there is broad agreement that immigrants boost economic activity, spur innovation and improve the productivity of American workers. And there's also broad agreement that our current system falls short not just on these economic goals, but also on humanitarian grounds. As part of today's panel discussion, and this event, The Hamilton Project has released an immigration reform proposal by Jenny Hunt, who is a professor of economics at Rutgers. Jenny will share an overview of her paper. And then we will hear from Dane Linn, who is senior vice president of corporate initiatives at the Business Roundtable. John Yang, president of Asian-Americans Advancing Justice. And Carlos Guevara, director of Immigration Policy Project at Unidos. So we have about 40 minutes. I'm looking at my clock. Oh, I think we have about 40 minutes for this panel.

So we're going to hear from all the panelists. And then we will also, I hope have time for questions, some from me, some from all of you. If you do have questions, the email address is info at Hamilton project dot org or on Twitter at Hamilton Proj, P-R-O-J, Hamilton proj, to send a question there. Okay. Let me start with Jenny. Jenny, as you wrote in your paper, immigration policy can have multiple objectives, economic, cultural, humanitarian and geopolitical. Your paper has a lot of changes, proposed changes to our immigration system listed in it. So I would welcome you to talk us through the major changes and which of these overarching objectives you are trying to achieve or not achieve. So with that, I'll hand it over to Jenny.

Jennifer Hunt [00:35:49] Thank you very much, Ted. And thanks to the Hamilton Project for convening this important discussion about immigration. Immigration is integral to the American national narrative. Immigration is also crucial to American economic growth, which as an economist, is the fact I will be most focusing on. My proposal involves tradeoffs like all public policy and as you mentioned, it considers economic but also other goals while respecting politics and public opinion. A good immigration policy embodies four characteristics. It has economic benefits for Americans, first. Second, it's fair. A good immigration policy minimizes or compensates losses, treats prospective immigrants equally, and honors America's obligations to refugees fleeing danger. Third, a good immigration policy ensures that immigration laws are respected. And finally, a 21st century immigration policy ensures the U.S. against population decline.

So here are the main elements of my proposals. First, I propose a moderate increase to immigration by 130,000 new entries per year, which is an increase of about 10%. And those caps would be linked to GDP. And this increase would involve a shift from family-based immigration to employment-based immigration and refugees, as well as increasing the ability of employers to attract or retain the most skilled workers, especially graduates of U.S. colleges and universities and that's a point that Senator Manchin just emphasized in his remarks.

Second, I have recommendations to reduce the green card waiting period, especially for immediate family members of U.S. residents, high skilled immigrants and immigrants from countries with large populations. And then third, private Americans should be allowed to sponsor refugees, as in Canada, which would allow us to expand the refugee quota. To make sure the greatest number of Americans benefit from immigration, however, reforms in other areas are also required. So housing policy is perhaps the most urgently needed area of reform. The rationale for increased immigration is that economists agree that immigration increases economic output, otherwise known as gross domestic product or GDP, as well as increasing GDP per American and GDP growth.

Also, greater legal access to U.S. labor markets reduces unauthorized entry and those asylum requests which have little chance of success. I don't recommend large immigration increases in deference to public opinion. But in fact, even with my proposed increases in per capita terms, US immigration would only be in the middle of the pack of advanced economies. So my plan is tailored to admit the immigrants who benefit Americans the most, while costing the least. And my immigration, and my recommendations favor immigrants who will innovate, again Senator Manchin's interests, because, because these immigrants, through innovation, can drive economic growth. And they emphasize another group of people Senator Manchin mentioned, health and care workers of all skills who are needed as Americans age. I avoid increasing immigration of workers likely to compete with less educated working-class Americans.

Now, given the increases I've proposed to keep the overall immigration increase moderate, I recommend eliminating the green card category for siblings of U.S. citizens. Doing this would also eradicate the longest queue for green cards and limit the length of chain migration. So in conclusion, our immigration system can be expanded and altered to provide much greater benefits. And I recommend that we do so. Thank you.

Ted Gayer [00:40:25] Thank you so much, Jenny, that was a great overview. I'm going to turn to Dane, and Dane, I'll ask you to talk about the US' workforce needs, how you think our current immigration system does or does not meet those needs, and in this context, if you can share your thoughts on Jenny's proposed reforms as well, with regards to our workplace, workforce needs.

Dane Linn [00:40:48] Thanks Ted. And I have 30 minutes to answer all those questions.

Ted Gayer [00:40:51] Exactly. Or 3, just divide by ten, it'll be fine.

Dane Linn [00:40:57] I'll divide and conquer here by myself. A couple of things. First, thanks to Brookings for inviting me to participate in this discussion, and thank you for keeping the candle lit. This is an important issue and it's going to take all of us to keep the attention on an issue that as Jenny pointed out is critical to our ability to compete economically. I think it's also imperative to equal the playing field, create greater opportunity. I particularly like the focus, Jenny, on, on employment, keeping it really focused on employment. And I'll dive into that in a moment. But just one more word of thanks, Ted, to Kristy on your team, who I think is just exceptional and has done amazing work in partnership through the coalition that the Business Roundtable is a part of. My good friend and Senator Manchin is, I'm going to make some of the very same points that the senator made. I will narrow the funnel eventually. But let me just make a couple of important points.

Some, again, I'll reiterate, we're very, we're very well aware that none of this is going to come together without strengthening border security. And so if we're going to get any solution to fixing these problems that Jenny's talked about, we're going to have to come up with some, some solution on what order looks like. The second point I want to make is that, that if we're going to bring in innovative, innovative and globally competitive, we're going to have to have a highly skilled workforce. We all know, I hear this, I heard it just this week at our CEO quarterly meeting, that CEOs continue to struggle to find the workers they need for the jobs. We have over 10 million jobs open. That's two jobs for every person. We have almost 800,000 cybersecurity jobs. And we have a lot of individuals from other countries who are studying in some of the stem related fields at our colleges and universities. Yet because of the employment-based immigration system that we have, they end up going back, going back to the country as opposed to staying in the U.S. and contribute to the, to the economy.

I'm going to react here in one minute, but let me make one additional point, that Jenny it is not included in your paper, but it's an essential part to the employment issues around immigration, and that is the Dreamers. That's where a lot of the attention on federal policy is focused. We know

that we have 110,000 Dreamers that are working in the health care sector. If we don't fix the Dreamer problem, whether it's part of border or not part of border, we exacerbate that problem in addition to the unfairness that those individuals face because they've been brought here when they were very young.

A couple of, so now diving into some specific reactions and I won't I won't comment on all of them because we're not really focused, for example, on the family, but the per country cap issue, you know, we are supportive of the Eagle Act, I don't know if that's going to see the light of day during the lame duck session, but we have long supported the work that Senator Lee has done, Senator Lofgren has done on quite frankly, we'd like to remove those caps. We appreciate the 7 to 15%, Jenny, but we'd like to eliminate them. But if we can't eliminate them, we, we don't disagree with raising it from 7 to 15. There were some earlier discussions as part of what never happened, which was the build back better of stapling a green card to those individuals who have a Ph.D. in STEM. Again, some of the areas that are, some of the jobs that are so critical to our ability to compete and to compete with companies like China who are projected to produce 55,000 STEM graduates every year starting in 2025 compared to our 40,000. And yet we have so many individuals from China and India who are studying STEM-related fields in this country. You know, we, beyond the stapling of a green card for individuals with a Ph.D., we'd like to expand that, quite frankly, to the master's level as well. So that is another area I think we would be, we would be very, very supportive of.

And the last point I'll make before I turn it back to you, Ted, it is one of the criticisms we also often hear of the private sector is that you want to do nothing but bring in talent from other countries. And I think the data bear out the, the problem, the significance of the problem we face today and the significance of the problem we're going to face with the aging of America relative to our workforce. We can't recruit enough people from other countries to meet the workforce needs today or in the future. We are also as a result, many of our companies are growing the domestic pipeline. You know we're investing over \$1,000 per worker today, not just recruiting, but reskilling individuals given the pervasiveness of technology. So this is not an either or. It is a both and, it is growing our domestic talent pipeline, but it's also fixing our nation's immigration system in some of the ways that both Jenny and I have just highlighted. Thanks for my time I'll see back to you and look forward to the discussion.

Ted Gayer [00:46:52] Thank you, Dane. I appreciate it. And I'll turn now to John. John, you know, Jenny and others have alluded to already that there are lots of different goals, sometimes competing goals for an immigration system, and that you have to manage the tradeoffs. So one thing

that comes out from her paper is a shift from family-based system to an employment based one. And also a change in the per country caps from 7% to 15%. I'd be curious if you can share your thoughts on both of these proposals or anything else that catches your eye from Jenny's paper and also what you think the effect would be on Asian immigrants.

John Yang [00:47:28] Sure. Thank you very much, Ted, and thank you to Brookings for hosting this important conversation. Let me answer the question directly and specifically and then open the aperture more generally to sort of how this affects the Asian-American community. Specifically with respect to the country caps, certainly that could help Asian immigrants because the four countries with the highest wait times are China, Mexico, Philippines and India. And so if you're removing the country caps, you would likely see it increase, although there is some uncertainty because we have to look at where the applications continue to come from, whether this is going to change where applications come from.

With respect to family-based system, this shift removal the siblings category specifically would affect Asian-Americans negatively. About 23,000 Asian immigrants come through on the sibling category per year. Obviously, that number fluctuates. So we would be talking about a 3 to 4% reduction in Asian immigrants on that side. I think that brings up the larger question for us about making sure that we have sort of centered this conversation, right. I very much appreciate the concerns that Dane and Jenny have laid out with respect to the economics, and that's absolutely an important concern.

But the other aspect we have to remember is that our morals, our values with respect to what we're trying to accomplish with the immigration system, you know, certainly for the United States, we've always been a country of immigrants, so to speak. And whether you want to talk about the engraving on the Statue of Liberty, whether you want to talk about President Reagan's shining light on, shining beacon on a hill, you know, this is a country that people want to come to. And how do we encourage that? How do we create that, that moral leadership? And this is certainly where I think especially the family categories are important to us, specifically for the Asian-American community. About 60% of our community comes across through those family-based categories. So that in itself is important, and any reduction would be important.

But then if you think about how families succeed here, and this goes to something that Senator Manchin said, you know, it's not just about the individual skilled worker that comes here, it's

what kind of family support does that skilled worker or that worker bring? What kind of support does a refugee have? Are they going to be able to prosper if they're not able to bring their family members across? And again, when I say family members, I do include siblings, because if you look at some of our history, some of our greatest innovators actually will come through because of siblings, whether you want to go back as far as across, although this was pre-family-based immigration system, Levi Strauss, right, the iconic American brand. He came here without a penny in his pants because he already had brothers that were here. You know, if you look at Sergey Brin, you know, he came here, the founder of Google, as a refugee with his family. You look at someone that, that's from my neck of the woods, so to speak, in the Asian-American community. Jerry Yang, the founder of Yahoo! He came here on a family-based visa. Right. And none of these people came here as a skilled worker. Rather, they came here, and they had ideas, they had billions and helped to create our economy. Right. And so it's not just about the short-term gain. And I'm not saying that that's what Dane and Jenny are exclusively focused on but making sure that we have those long-term trajectories in view as well.

The last thing I do want to mention that that goes to this, morals is making sure that we're centered in our values and not treating immigrants as commodities. And I'm going to respectfully ask for something here, which is we avoid the use of the term chain migration. Certainly that's a term that had been used in the past, but it has become more and more of a weaponized phrase that is used by people to suggest that somehow immigrants are trying to bring out a whole bunch of family along and swamp the system, so to speak. I think none of us believe that that are on this panel, but that's sometimes what's happened. And certainly the press has recognized this, and the press has recognized that this has, has a stigmatizing effect on the conversation. So when we talk about migration, when we talk about immigrants, I would ask us to remember the human value to all of this. Thank you.

Ted Gayer [00:51:37] Thank you, John. I'm going to turn to Carlos. But Jenny, just a heads up after Carlos goes, I'd like to give you a few minutes to respond to any of the comments that any of the panelists have talked about, including this question about moving from family based towards employment-based immigration. But first, let me turn to Carlos. Carlos, we heard Senator Manchin talk about some of the problems we see at the border and in our workforce, meeting our workforce needs, especially in the case of the border, you can take the direct approach and say that the problem

there needs greater enforcement, greater security. But it also could be symptomatic of a breakdown of what the legal pathways are for immigrants. So I'd love to get any of your reflections on that, what it means and what it's indicating to us.

Carlos Guevera [00:52:23] Well, thank you, Ted, and thank you to our friends at the Brookings Institution. We really are enjoying this, this conversation today. And UnidosUS just for folks who are not aware, is the largest Latino civil rights organization in the country, have been around and doing this work for over 50 years now, representing the interests of the Hispanic community in the United States. And, you know, it's interesting with that history, a lot of what John was just mentioning about the underpinnings of our immigration system, the family unity nature of that really resonates with me and the folks in the communities that we work with as well. I think one of my big takeaways here for, from this conversation for folks listening is, is as important as this conversation is and I applaud Professor Hunt are on, on these efforts to help us recenter and focus on these conversations that are going to be important as our economy changes, our needs changes, the role of technology disrupts the economy as well.

I think it's also important to remember that all these pieces are part of a bigger, bigger puzzle as well. So for us, when we talk about legal immigration system, we've been saying this and shouting this from the rooftops for years now that one of the symptoms of illegal immigration is the lack of a functioning legal immigration system that accounts for the needs of the economy. And that also, you know, recognizes the dual tensions of a country absolutely has its rights to protect its sovereignty, to manage and administer its borders humanely, fairly and equitably, but also the needs that, you know, employers have to make sure that they are having their operations going. I was struck, for example, just moments ago when Senator Manchin mentioned the example of, well, you know, if we can bring in 5000 at a time to meet shortages as we need them, I think in some ways that's illustrative of the duality that we're talking about here and the importance of as we're thinking about reshaping, modernizing, re-envisioning our legal immigration channels, how intricately related that is to the flows that we're seeing at the southern border as well, and that have captured the imagination of the, the immigration debate at this, at this moment.

I will also say that part of this puzzle is a reckoning with the folks here. I appreciate, Dane, lifting up the issue of the Dreamer population and other similar situated like those with temporary protected status, farm workers and so forth who are already contributing in this moment. And the fact

that, again, pointing to something Senator Manchin said earlier, kind of point of the ridiculousness of removing folks who have been already vetted, have been contributing in many ways to their economies, to their communities and in other many other ways, how that's essentially shooting ourselves in the foot. And we couldn't agree with that more. Consider this, that today one in four children in the United States, American children, United States is a child of an immigrant, self included, and that approximately 6,000,000, 6 million American kids live with a loved one who is undocumented. These are the same generation of Americans that our country is going to be depending on to be the future taxbase, be the folks who take care of our elderly population as they age in place, hopefully, and contribute in many, many other ways. So that also for us is a very important piece of this puzzle and how folks interact with the legal immigration system and think about and appreciate opportunities to access the legal immigration system by removing barriers that presently exist as well.

I know that we talked about how in this paper how there are many considerations, which is why I'm spending some time discussing some of those here today and, and encourage us to think about them going forward. So there have been somewhat I would say, and I want to encourage our folks here, I love how Dane said this earlier, he said, this is a both and situation. The way I've been thinking about this for some time now and I encourage folks to think about this as well is the two circles, one larger than the other. The outer rim of the larger circle here is the work force that we need to continue to be the envy, the economic envy of the world here in America. And in that outer, outer, the outer ring represents that the inner ring is the population here in the United States, and everything in between are the investments that we need in our education, our vocational training, the considerations of the future of work and the disruptions of technology, our population growth decreases in recent years and so forth, and how that mixes up to push that frontier of the interior circle to the domestic capacity that we have. And I would submit to you that between those two circles, we still need a capable, a working legal immigration system to bring in that talent that we need. And that in many ways, to echo Dane, it is a both and, we can make these investments here at home to ensure that that one in four child, American child who is going to be counted on to be the future of the American workforce is exactly that, while bringing in the needs from abroad to meet the economic needs of the country so that in fact, we remain the envy of the world when it comes to the economy. Thank you.

Ted Gayer [00:58:09] Thank you, Carlos. As the moderator of the panel, I've got different things swirling here. I want to get a conversation going among our panelists. I have questions coming in from audience and I have the moderator questions as well I'm eager to have and we only have 20 minutes, so we'll try to do as much as we can. So maybe first I'm going to turn it over to Jenny to see if she has any reactions or responses to anything any of you have said. I will say also to the other panelists or to any of you as far as the conversation goes or I ask the question if you want to, you know, we're doing this on Zoom, but we want to raise two hands because you've got something you're really eager to add to the conversation, please don't hesitate. So, Jenny, why don't I turn to you, any reflections or comments or responses to what our panelists have talked about?

Jennifer Hunt [00:58:50] Well, thank you very much for your thoughtful remarks, which in some cases just expanded upon, or I shouldn't say just, but the, made points that if I had had more time, I would have also made, the very important issue that I didn't address in my full proposal even is the issue of what to do with the people who are already here but do not have a documented status. It was too, too much for me to be able to handle in this proposal, and I didn't feel I had a particular expertise in the area, so I didn't talk about that. But and then in terms of the siblings, in an ideal world, it would not be necessary to reduce the number of siblings of U.S. citizens coming to the U.S. either.

So I'll just stress again that my proposal was one of, of compromises. I think I would like to briefly talk about something that Senator Manchin talked about, which is Title 42, people at the border and how to recognize refugees. The Title 42, which allows the U.S. to not, to turn people away physically at the border, even if they've applied for asylum, is in fact in contravention of the US signing of the 1951 Convention on Refugees. So. So that's a problem. And then the idea that you could vet refugees in their home country is not practical because almost the definition of a refugee is one who cannot remain in their home country. I say almost, because in fact, the U.S. does play an important role in resettling refugees who are in refugee camps outside the home country. So they've managed to flee, but not to anywhere that can support them for a long time. And the U.S., in fact, does do that and vets those people before they come to the U.S. albeit not in their home country. I think I'll just leave it there, given that we have little time.

Ted Gayer [01:01:00] Maybe I can expand on that and then just open it up to other panelists, too. It's setting Title 42, any comments on Title 42, as Jennifer said, the justification for it was in the state of of a pandemic and trying to restrict the flow of populations into the country during a time of

contagion. As Glenn talked about with his interview with Senator Manchin, I think he had a quote that, that Title 42 is the most effective wall that Trump built. So I'd open it up for comments on Title 42, and I'm going to expand it a little bit if we can get maybe in the realm of the possible. We've talked about a possible bill that's being floated right now, which looks at a fix for the Dreamers, extending, I believe, Title 42, but tying it explicitly to the standing up of resources for other border control measures. If anybody, I see a hand up from Dane, so any comments on any of that and also a little political prognostication also about whether or not, from your sense, there is a sweet spot there for perhaps a lame duck? Go ahead, Dane.

Dane Linn [01:02:03] Yeah. If you can't tell, I went to Catholic school my whole life, so I did not speak unless I was asked to speak or raise my hand.

Ted Gayer [01:02:10] No, you should have said that in the prep meeting, that's really important information.

Dane Linn [01:02:16] So with that, the only comment I'll make on Title 42 is I think it will be interesting to watch the details of the framework that's out from Senators Sinema and Tillis, which clearly as much as we know today, since there's no legislative text is indicating that Title 42 would continue in place for another year until some of those other pieces around border security were operational, such as additional resources for border security agents, more immigration judges, but also some of the technology and even the physical, physical infrastructure. So I'll just say, it will be interesting to watch.

The other important part of this puzzle, I think, is it's not just the legislative side of the equation. Let's not completely discount the regulatory side of solving some of these problems. And Jenny, I know that wasn't your, in your mandate, but I would love to see it, provided you have the expertise, a paper on H-1Bs and in particular the, you know, as many of our members have embarked on skills based hiring that it's not simply about the four year degree, yet the, we still have an H-1B system that is credential dependent and that is significantly limiting our companies given the, the changing nature of business and the number of jobs individuals have in their careers. The limitations around internal mobility for individuals on H-1B are significant, and that can't be completely rectified through the regulatory process, and particularly knowing the legislative barriers that we face in trying to get anything done in this climate, I would like to see that done in the legislative climate. But if we cannot, let's see what we can do to through the regulatory process. Like given the fact that we have

so many H-1Bs in this country and many of them are tied to what we term high skilled jobs in the STEM fields, for example, I think that's another important solution to the problem that we're discussing today.

Ted Gayer [01:04:29] Thank you, Dane. I'll turn to John and then Carlos.

John Yang [01:04:31] Sure. First, let me double click on what Jenny was saying about refugees, because I completely agree is this notion of being able to vet or vetting them in their home countries, both with respect to the Geneva Conventions, this is just as a, as a pure practical matter, doesn't really make sense. It doesn't really hold water. So we really should remember sort of why they are coming to the country, they're literally fleeing the violence that they would encounter in their so-called home countries.

The second thing I want to sort of expand on what Dane said, which is there are some regulatory fixes. Even when we're talking about visas, there's a lot of unused visas that we can recapture. We could think about what we can do administratively to recapture some of these unused visas and apply them towards whether they're H-1Bs, whether they're to, towards family visas and the like. And the last thing I would say, and this goes to the basic political environment is, I don't give up, I don't suspend hope that we can actually still get to a better environment where we're not dealing with so many tradeoffs. I mean, I completely get what Jenny is saying and what you're trying to do, I really applaud that. But the optimist in me, the advocate in me wants to say that, no, we can have both because we want, our country needs both. And yes, our messaging fight hasn't worked yet, so to speak, or people aren't yet convinced of that. But the economics are clear on that. The values, the morals are clear on that, we just have to continue making that case.

Ted Gayer [01:06:01] Carlos.

Carlos Guevera [01:06:03] Thank you. I would just add on the asylum pieces all together, I think it's very important to remember that what's playing out at the border is just a small part of what's going on across the world. People are on the move across the world. There's lots of different reasons for that and we can't lose sight of those various root causes, you know, what's going on with the climate and so forth, and keep a broad view on those pieces. Right. So that's, that's number one point.

I would also say that, come back to the earlier part of my remarks, I fully agree that every country has its responsibility, an obligation to properly administer its borders in a way that that works

and that the country feels has the support of, is under control. I do think in that respect, well, Title 42, we have our misgivings with its application, that that there are some features here that, you know, need to be considered into the future about how we have an orderly system that really, you know, to Senator Manchin's point, really gives folks a chance to, yes, be vetted, but also a real chance to make their cases here in the United States. So it's something that we're looking at as not just the situation develops here in the next couple of weeks or so, but beyond as well.

Ted Gayer [01:07:24] Thank you. I have a question for Jenny and anyone else can jump in and Dane might have some thoughts on this, too. Jenny, in your paper, you lean into increasing the number of immigrants from health-related occupations given our labor market needs. I don't know if this is wonkish or not, but in the world of automatic stabilizers, couldn't we live in a world with an immigration system that explicitly tied our caps to whatever the latest information is on where our labor market needs are? I don't know what that measure is, but why, sure, today we need health services, tomorrow we might need something else. Is there a way to just automate it all?

Jennifer Hunt [01:08:03] Well that's a very good question. And I proposed the health services because I view that as something that's going to be pretty steady for decades in the future. It seems fairly uncontroversial. And in fact, there already are some special provisions, not as many, I've added some, but for such workers in the current legislation and regs. But that's a very good question. So to some degree, the market should take care of the adjustment itself. I mean, if you look at one of the better documented visas, applications for H-1B visas do go down in recessions and they go up and booms.

However, one could want to not rely on that and have more control over it. And for that reason, in fact, for, for the employment-based visas, I have proposed tying the numbers to the unemployment rate in the months before the release of visas. Now I've proposed different unemployment rates for different visas because the visas are aimed at different types of workers and therefore different types of unemployment rate will be relevant. So, so indeed, I have done that.

What I haven't done other than for the health care workers, is I haven't proposed admitting generally making admission a function of what your occupation is, in contrast to Australia does that, for example. And the reason is that in general I don't think we can predict which occupations are going to be most beneficial to the US. Even if we could, they might arrive after the, after the period had passed, it might, it takes some time for them to come. But I also don't think that it's even possible

to use the data to predict short or even medium-term needs. As I say, I think the ones I proposed are uncontroversial because they're very long-term needs that we don't necessarily want to encourage domestic workers to, to go into.

Ted Gayer [01:10:04] Any other responses on that. Dane, I see you leaning forward, but I don't know if that's a response or not.

Dane Linn [01:10:11] It is. It is. Thank you, Ted. A couple of things. I think, I think it's a piece, the data is a piece of the puzzle, I would agree with Jenny. But I also think it's important that we not ignore labor market data. Now, I say that and in the same breath I'm going to say we should not be using the BLS data. That is not real time labor market data. There are some states that are doing an exceptional job. Indiana is one that comes to mind and the Central Indiana Partnership and the way they track current labor market needs. There are groups. I will, I will mess up their new name, but the Burning Glass folks and the recently merged, merger between Burning Glass and MZ, who have, I think, a very good handle on what labor market needs are today and what, what the predictions might look like in out years. But it's, it's one piece of the puzzle.

But I am compelled to also unrelated to go back to something John said about asylum. I do think it's you know, I mean, clearly, we're the business community. It's about the economics of it, too, and make no apologies for that. But in the same vein, we need to be treating people fairly and humanely. And one clear example is that of that, the 80,000 Afghans who are here, you know, what's going to happen in a year and a half? There is no predictability for these individuals to remain here, not only remain here, but maintain their work authorization, which is why it's equally important to get the Afghan Adjustment Act passed as well. That's the permanency and transparency that that we need for populations like those individuals who've done quite a bit to serve the US.

Carlos Guevera [01:12:08] Ted if I may briefly, I would just add to that. Under the framework of, you know, the data could be one piece of this, I do think when we, when we consider a formula like this or some sort of a bundle of metrics, that that there needs to be some accountability or some role in evaluating, you know, how we're doing in our public schools, in our higher education system, preparing kids here for the workforce itself. And that be part of the analysis as well. I'd be curious to see more research and in this arena and, and I think it's an important piece that again in the spirit of the both and that we're not forgetting that, that crucial component of the domestic workforce and the

people who are already contributing here, are poised to contribute here into the future. And that one in four American kid who is the child among them. Thank you.

Ted Gayer [01:13:07] Thank you. This is a little unfair, I'm going to ask you my question I had for Senator Manchin, because it's a political question, maybe, maybe some of you could have insights into it. You know, we just had an election and as we do after an election, everybody combs through the data. And one of the things that we do is we look at the changing composition of sort of who votes, which ethnicities, which are immigrants even, or are voting for which parties. And it does seem to be evolving. So this is a politics question, it's a lot of what we struggle with to advance immigration reform just kind of bare-knuckle politics that some party is worried about who's going to vote for them in future elections. Is that, is that part of the calculus? And if so, do we have any sort of prognostications about the changing electorate and what it might mean for immigration reform in the short or medium term? Go ahead, Carlos.

Carlos Guevera [01:14:04] It's a, it's a tough one.

Ted Gayer [01:14:06] And you have like 2 minutes. You have a three minute.

Carlos Guevera [01:14:09] You know, I think what, what we've seen about the Latino electorate anyway and what I'm more comfortable speaking with is, you know, sometimes there's a default to, you know, try to attach the immigration issue to the Latino community. The reality is that it's, making an obvious point, that the community cares about a lot of issues and what's going on with inflation, is my job secure, what's going on with my health care and so forth. And we see that time and time again with our polling. The related point, however, is that when you drill down on some of those things about job quality and my health care that the immigration issue does kind of weave in there.

So it's a deeply personal issue. Like we like to say that in the U.S., eight in ten Latinos are U.S. citizens, the nines on their way. But that, you know, 60% of them or close to 60% of them know someone who's undocumented. So it is an inherently personal issue. And folks, you know, at some level, whether directly or because it, you know, indirectly impacts some of these other buckets like job prospects and so forth, it is, it is top of mind for folks. I hate to posit a kind of, you know, speculate here too much about the long-term trajectories here. But I do think it's important educate books about kind of that particular electorate and the diversity of its interests, but the personal nature of immigration as well.

Ted Gayer [01:15:28] Thank you, Carlos and John, I'm gonna turn it over to you. You're going to have the final word, I believe.

John Yang [01:15:34] Oh, well. I mean, you call it bare knuckle politics. And the question of whether our politicians are making these decisions based on who they think is going to vote for them. I would actually turn it around and politicians should be asking them, how do they get people to vote for them. Right. And that's where, and I but to your point, I don't know if they're thinking about it that way. Right. And that's the problem because like for the Asian-American population in the last several elections were trending towards the Democratic Party. Why is that? Because the Asian-American population feels like the Democratic Party is speaking more about their issues and that issue, those issues include immigration. So it's not set in stone if you go back 30 years, 40 years, Asian-Americans tend to vote Republican. So I actually would purposely flip that and ask politicians, well, what are you thinking about? What do you think our community needs, rather than just making that calculus about what they think they need to get elected?

Ted Gayer [01:16:31] Very good point. Hey, Jenny, I'm going to turn to you for any final words you have. Again, thank you for a great paper. And it really spurred a provocative and, I think informative discussion. But we have one more minute. And before I close, I just want to see if you have any final thoughts.

Jennifer Hunt [01:16:45] Well, in the one more minute, I will just mention one aspect of the proposal that didn't come out so much, which was the one kind of program I did propose qualitative reforms to was for high skilled immigrants. And I've tripled the proposed, tripling the number of them changing how the chosen but written, but leaving them chosen by employers because I believe employers are those who are best, in the best position to know who will be productive in U.S. firms. But I've also made a proposal to allow the high skilled immigrants to transition earlier and more automatically to a permanent residence or a green card, which will eliminate that green card queue and reduce the, well eliminate therefore, the problem, actually, that Dane was talking about, about having difficulty moving from job to job for fear of having to restart the green card process.

Ted Gayer [01:17:38] Great final word. Thank you, Jenny. Thank you, John. Thank you, Carlos. Thank you, Dane, for a great conversation. And with that, I'm going to turn the mic over to Eduardo Porter.

Eduardo Porter [01:17:54] Hello? Can you guys hear me? Good. Hey, thank you so much, Ted, for this. And this has been a fantastic panel. Now it's my turn, it's turn for this, another fantastic panel about the, the distribution of the benefits and the costs of immigration and how that I hope we will get into how that plays into the politics of immigration. My name is Eduardo Porter. I am a columnist at Bloomberg Opinion, and I have written some about immigration, immigration reform, our nation's seeming incapacity, inability or unwillingness to actually enact some sort of reasonable reform process, at least we have been unable for a number of decades.

So the topic of this panel is like, you know, how do we share the burden? How do we share the benefits? And this is a topic that's been recently, you know, in the headlines, as you know, with Governor Greg Abbott picking up Venezuelans and sending them to Texas and New York and Chicago and Ron DeSantis from Florida, grabbing some from Texas, too, and sending them over to Martha's Vineyard. They're both trying to make this point that the border states, red border states are bearing much of the burden of immigration and that, you know, folks in blue states don't really understand this. And so let's give you some asylum seekers so that you can experience some of the stuff that we experience daily that, daily here. And of course, a lot of this is just, you know, political theater, you know, trying to, to cause Democrats and political damage by, you know, highlighting the chaos at the border.

But to be sure, there is a real issue of some states having to bear some of the cost of immigrants disproportionately compared to others. And more broadly speaking, I mean, there is a state and locality versus federal government in balance in that the federal, the feds, not states and municipalities benefit from income taxes that immigrants pay. But states and localities pick up much of the tab for educating immigrants children, whether they were born here or born abroad, and for things like Medicaid, which in some in some states is a significant, carries a significant price tag. And so this imbalance changes from state to state, there's a National Academies, a study that came out in 2017 that had I was looking through the estimates, you know, in 2014, each new immigrant costs Florida 350 bucks more than it paid in, than the immigrant paid in local taxes. In Texas, the deficit was 2050 bucks. In New Jersey, 1850.

And so what we're going to talk about now is a proposal by, by one of our panelists here, Tara Watson is coauthor of, of a proposal to how do we distribute the benefits of immigration to take into account these disparities? Is there what's the role of transfers from the feds to states and

municipalities? How should they be designed in order to relieve some of this burden, if you will. And so in this panel, we have Tara Watson from the Brookings Institution, who is the coauthor of this proposal to distribute these benefits more equitably. We also had Kim Rueben from the Urban Brookings Tax Policy Center to comment on this and Anna Maria Mayda from Georgetown University, both of whom have actually done a lot of work on this. In fact, Kim was on the, was on the National Academy Study a few years back. So anyway, just to start, well Tara, I would, I would cede the floor to you. Give us a sense to give a sense of, you know, your proposal, lay it out for us and what you think it would achieve.

Tara Watson [01:21:59] Sure. Thanks so much. I'm happy to be here talking about my proposal with Wendy Edelberg. And the big picture here is, as you alluded to, Eduardo, the, the benefits of immigration are not shared evenly across the economy. So if we look at immigrants overall, they have a positive economic impact, but not just economic impact, but actually fiscal impact, meaning the taxes paid coming in, the taxes coming in exceed the expenditures that are associated with that group of people coming to the US. And so it's a, it's a net positive for the U.S. economy. However, the way that our spending and our benefits are structured, a lot of the costs are born at the state and local level, and a lot of the benefits go to the federal government. And beyond that, some states and localities are even more disproportionately affected by having to pay benefits without getting commiserate taxes coming in. And those are places that are absorbing less educated immigrants and new migrants, both groups, both of those groups are, tend to pay lower taxes when they first come to the U.S.

And so our proposal tries to redistribute some of those overall gains so that the benefits of immigration are more equitably shared. And what we specifically do is try to come up with a system that meets some key goals. One is to take this federal decision about how much immigration we should have and tie it to the benefits that are going to states and localities that are disproportionately bearing the cost. And as we have more immigrants, we want to transfer more to those local areas. A second thing is we want these to be pretty transparent transfer so people can see them. And part of our motivation there, to be honest, is political, that we want to, we want people to see the value that immigrants are bringing to the country and have that tied to, to their local area experience. We intentionally tie these transfers to existing transfer programs, so we focused on the education and health sectors within the education sector.

There's a program called Impact Aid, and we imagine that we could funnel some money through this program to places that are absorbing a lot of new, less educated migrants. And similarly, on the House side, we looked at federally qualified health centers, which are supported by the federal government and often do serve low-income immigrant populations. And so funneling some of the, these gains, these fiscal gains from immigration to places that are disproportionately receiving less educated new migrants, allows a more equitable and fair distribution of the benefits of immigration overall. And we think might ease some of the political opposition to, to migration that occurs and the local level, the type, the type of opposition that might cause a governor to try to do a political stunt where they, they try to highlight those local costs. I think you're muted.

Eduardo Porter [01:25:26] That's super interesting. It was, actually I looked at that the states that ended up bearing more of a disproportionate cost. And it turns out that it wasn't necessarily red states. California, New York bear enormous, bear large costs, too, despite what, what Mr. DeSantis and Mr. Abbott said. But anyway, thank you so much, Tara. And I wanted to see, to, to, to cede the floor to Kim now, and one of the you know, to, to, to offer your comments on, on Tara's proposal. But I also, I'd like to add a question here, which is about how changes in the underlying labor market conditions might affect this kind, the kind of calculation of cost and benefit of any particular locality.

So for instance, right now in the post-COVID world where everybody's screaming labor shortage, there is this perhaps sense that, you know, having more immigrants, even if they are of lesser skills, whatnot, might provide an additional value to localities that maybe before when you were. when you were working on the National Academies Paper, well, this wasn't the thing to think about. So I wonder whether that should help shape our thought of how we distribute these, these benefits, even though it's not maybe a direct a fiscal improvement, it does help the locality.

Kim Rueben [01:26:47] Great. And I'm happy to talk about that. First, I just sort of want to lay out some of the background about where these things are coming from. And so part of this is a lot of the differences across states and the differences between the federal government and state and local governments have nothing to do with immigration and more to do with how we provide public services in this country. And so a lot of the differences in the benefits and the costs has to do with the fact that state and local governments pay for schools. And what we see right now is immigrants and the children of immigrants are making up an increasing share of our student population, which is good for our country in terms of the demographic shifts that were covered in the last panel. And so part of it is

the reason that states are spending more money is because they pay for education where the federal government doesn't. And partly as we educate these kids and as people are here longer, it increases their ability to earn, which increases income tax revenue. And so part of what we're seeing isn't necessarily per se, just about immigrants. It has to do with the way we do public finance in our country. And so we do see this mismatch.

And this is something we found in the National Academy panel, where the federal government is a big winner from having more immigrants come in because more income tax revenues are earned, whereas state and local governments typically are spending more because they're spending more money on schools. And there are immigrant kids, and we calculated the children of immigrants as a cost of the parents, not necessarily the kids, because kids don't pay any taxes, typically, we might want them to, but they don't. And so partly that's where the mismatch is coming from. And I really like Tara's proposal because it's earmarking money for places that might have these higher costs. And it is going to sort of help the fact that the place that is getting some of the benefit is going to end up paying that over to the people who are paying for those services that will help us all do better in the long run.

Now, a lot of what you said is true. Like when we did this study, we had more immigrants coming to this country and we didn't have the labor shortages we have right now. And so the benefits and the economic benefits of immigrants are higher now than they were even before, both for low skilled and high skilled immigrants. And I think anybody who was home with their kids over COVID is valuing their nannies and their home care workers that or some of the people who we didn't see over the last couple of years. But I think there is something that's critical in that this mismatch between the federal government and the state government won't go away just because we're going to have more value on the economic side from it. So I think it's really nice to see about acknowledging that and having the federal government pay some money in.

Another thing that makes this really nice and having the federal government transfer money to states is it's also recognizing that we live in a mobile country. And so if you're educating kids in one state, it's not necessarily that you're even going to get the benefit of that education once they grow up and they move somewhere else. So California has done really well in attracting people from across the country. Sorry, my mail is getting delivered is what the banging is. And so part of this also acknowledges the fact that some of the benefits are going to not stay in place to where kids are

getting educated. So I like a lot of what we see in Tara's proposal, and I'll stop there if you want to go on.

Eduardo Porter [01:30:30] Okay, that's great. Thank you very much. I'd like to now offer the floor to Anna Maria. And I think that you've done some work suggesting that there is differences, you know, county to county, locality by locality, on the kind of like the, the benefits and the costs that immigration impose. And I wonder if you think if you think that if when designing a transfer system from the feds to, to localities, whether that should be taken into account and I understand that this is a function of what kind of immigrants arrive at these different localities, what the cost benefit is going to turn out to be. I wonder if you could if you could, like explain that to us and address that point.

Anna Maria Mayda [01:31:16] Sure. First of all, let me thank you for inviting me to comment on this proposal, which I really like. And so I think this is a very important and well thought out step towards addressing the inequalities in the impact of immigration in the United States. And it is worthwhile to repeat that in the aggregate, immigration produces benefits, but the unevenness in terms of the effects can create a political backlash. So it's extremely important to address these unequal effects. And, and what Tara and Wendy find and is quite consistent with I find in a paper with two coauthors [inaudible] and Walter Steingress, we look at the impact of immigration between 1990 and 2010 on revenues and expenditures at the county level. And we too find that there is, again, a lot of inequality. Let me give you an example. So consider Monterey County in California and Presidio County in Texas. And between 1990 and 2010, Monterey experienced an increase in low skilled immigrants by 3.4%. But and experienced an even bigger increase in the share of high skill migrants by 7.7%. And as a consequence as a consequence of these changes in the share of migrants, in Monterey, what we find is that the revenues, the impact of immigration of revenues was increased by 40%. And to increase county level expenditures by 14.4%. Now consider the other example, which is Presidio County in Texas and in Presidio County, the share of low skilled immigrants increased by 9.7 percentage points, while the increase of high skill migrants by much less, less than one percentage point. And there we find the revenues and expenditures decrease respectively by 24 and 15%. So you see that the effects can be quite uneven.

So I applaud this proposal to try to redistribute these fiscal effects. And so in my comments, I, what I want to do is to propose some, some adjustments, some to the proposal that take into account actually the benefits of migration and which, by focusing on low skilled migrants who go to a county,

may not be taken account by the set of transfers of the proposal. So one important point is that a county, as we saw, like Monterey County, may receive low skilled migrants, but at the same time they may receive a lot of high skilled migrants. So what do we do in that case? Do we send the transfer to that type of county that receives both? Shouldn't we account for the fact that the and the high skilled migrants who go there are going to increase the revenues and so they are already doing part of the job. And so and this is one, first point that I wanted to make.

Another point which is actually related to the discussion at the beginning of today's talk by Senator Manchin, is that to take into account the impact of immigrants on the supply side. So and in particular on the inflation crisis. When immigrants arrive, but they reduce prices of a lot of services and in particular, they reduce prices of education services and health care services, and because they tend to be employed in these industries. So for example, some statistics are that immigrants make up, this is in 2022 13.6% of the U.S. population, but 28% of the 1 million physicians and surgeons and almost 40% of the home health aides are foreign born. And for education, for K-12 education, the fractions are smaller, but still foreign-born workers are really important. And so they have this effect of reducing the price or the cost to provide the service, should we take that into account in how we set up the transfers.

And finally, another point that I wanted to make is both the National Academy of Science report that and we in this paper find that second generation immigrants have a positive, quite substantial positive fiscal impact. And the interesting thing is that immigrants and second-generation immigrants tend to live in the same locations because they are both attracted by the same networks. They are attracted both by a large community, by individuals who come from the same country of origin. But so, again, to the extent that you might have both the low skilled first-generation migrants in a county, but then you also had the second generation from previous waves, and the second generation has very positive impacts then should we take that into account in the setup of the transfers? So basically this is all to say that let's not forget about also the fiscal benefits, about migration and but I totally agree with the need to have a set of transfers to even out these effects.

Eduardo Porter [01:37:47] Thanks a lot. And Tara, I think there's a there's a lot of stuff for you to talk about now about, you know, it would be great to hear you flesh out a little bit more the mechanisms and the, the, the parameters that you would put into how to design these kind of transfers. And maybe, you know, including these ideas that Anna Maria brought in, different types of

immigrants and also the life cycle question, if you know, the second generation is a net plus, I, I don't know if that's true, but how should we incorporate that fact?

Tara Watson [01:38:23] Yeah, thank you. So I think it would be helpful for me to give a little more detail about how the transfers would actually happen in the proposal as we've written it down. And then I can comment on some of the extensions that Anna Maria mentioned. The way we set it up right now is we have imagined creating an index, which is a way of measuring the impact likely to affect a given locality. And the index would be the proportion of the adult population that is both less educated, which we define as having less than a college degree and has arrived to the U.S. in the last five years. So we're thinking of immigrants who don't have a lot of education and are relatively new to the country. And we're thinking about how big a share they are of the adult population in a place, we take out college students because that's sort of a different category, so we're just thinking of people who we think are done with their education, are likely to enter the workforce and trying to address the fact that that group tends to pay less taxes in the short run than they will in the long run. And then some other populations.

And as I mentioned at the outset, we are imagining taking a chunk of money from the federal government and transferring it to school districts and through the health care system to places with a lot of these index immigrants. And in fact, we plan to distribute this even to places that don't have that many, as long as it's more than 0.5% of the adult population, we think we can make these transfers happen. What that ends up meaning in practice is that most states would get some, some flows coming from the federal government in proportion to the index and index, impact index immigrants that they have in a given locality. And the only reason we don't give this, these funds to every place is some places just have very few people meeting these criteria, and it would be more bureaucratic cost than it would be worth. So we, we cut it off somewhere, but we do intend this to be pretty broadly distributed. And as Eduardo mentioned earlier, it's not it's not actually the case that it's just Florida or just Texas getting these transfers. There are a lot of places that have immigrants going to them. And in fact, the places where immigrants are going now is more dispersed than it used to be. So a lot of, a lot of local areas are thinking about this issue.

So we aim to keep it simple in the way we've computed this index, which is essentially the way that we're allocating resources. And the way we've done it is just to count up the number of impact index immigrants relative to the adult population. So what that means is we haven't addressed

some of the concerns that Anna Maria raised. I guess potentially you could develop a more complex proposal that did try to bring in some of these other factors. So, for example, if places also have a big inflow of highly educated immigrants or immigrants that have been here a long time or immigrants that are, that that now have kids who are adults contributing to the economy. You could potentially adjust the index to account for those things we had decided not to, to keep it simple. But I certainly see some economic rationale for doing so. So that would be worth thinking about more.

Kim Rueben [01:41:54] Can I argue—.

Eduardo Porter [01:41:54] Kim, I think you wanted to jump in.

Kim Rueben [01:41:56] Yeah, I was just going to say, I'd argue against complicating it too much. Like, I feel like the basic idea of what you're trying to do has a lot of appeal in that it is something that can be calculated with existing statistics. And could be independent, right, so partly and part of this is coming from some of the conversations that were going on post-COVID about how do you get money to states in terms of other sort of support. And in conversations we had with people on the Hill and the administration, we thought about different ways of trying to sort of fine tune that policy about how we got money out to state and local governments. And you can do things on the margin, but there is a big appeal, especially politically, about something that is sort of pretty transparent and easy to do and has broad support, which I like.

There are a lot of things in your proposal that aren't necessarily matching the costs directly, but the fact that it's simple and it feels like it might incentivize people to do things in a direction that I think is good is really positive in my mind. Like, I like the fact that you're not tying it to how much they're spending because some of the places that we'd like to spend more on education in the first place like so part of the reason Texas might not be or Florida might not be as bad off as you might expect is because they're not necessarily spending that much on schools. And so if we can incentivize and get money into the schools, that might help them spend more on education more broadly, I think that's sort of good for the country as a whole. And you are sort of addressing this mismatch, which I think is the biggest part, that there is this mismatch between the federal government funds and the state and local costs, which is sort of where you're going, I think at the, at the baseline, I think is where this proposal is really attractive. Does that make sense?

Tara Watson [01:44:10] Yeah, I think you raised an important point, which is that we didn't, we explicitly didn't try to direct the spending to specific programs. So there is existing funding, for

example, for English as a second language kind of programming from the federal government to school districts. We didn't want to just put more in that bucket because the goal here is not to be narrowly saying, oh, it's this money is specifically just to educate children of immigrants or specifically just provide health care for immigrants, it's really to ease the aggregate fiscal burden.

And to some extent that means trusting states and localities to make decisions that make sense given the challenges that they're facing. And I guess one way to think about it is to some extent it's more or less of an extent, depending on how generous the states are, the localities are already, already incurring a lot of these costs, and we're just trying to offset some of the costs that they are facing without prescribing too forcefully exactly how they should spend that additional revenue.

Eduardo Porter [01:45:19] Thanks. Tara, I'd love to, to, to address the, the political dimension that you were referring to a moment ago, that this you know, it has a way of maybe convincing some voters in some states to relax on immigration and allow for some broader reform. My question would be, well, how important is the fiscal anger to the fiscal angle to shape voter perceptions? I mean, there's other things, you know, there's labor market competition is one we hear about a lot. Standard issues of cultural change, ethnic, racial change that also plays, I'm guessing, into voters. So how, how much of a, are you putting too much of a lift on fiscal policy here or what can it achieve?

Tara Watson [01:46:09] Yeah, I think that's a fair question. I think all of the factors that you mentioned probably play a role. And I'm going to ask Anna Maria to chime in here in a minute, because she has a lot of expertise in this area, but so we don't expect this to fully, fully solve the political issue. But I do think there is some tension here. You know, we talked at the beginning about this example of, the Martha's Vineyard example. I do think that resonated with people because there is a, there is a political sense that immigrants cost more to local governments than they, then they benefit them. And that's not always true, as we've just heard. And in fact, I think that the way that people think government, immigrants are costing local governments money is probably wrong.

In other words, immigrants actually consume very little in the way of social services relative to other comparable populations. So it's really it is about education and some health care and not about, you know, cash welfare benefits. But I think recognizing that as either a true concern or at least a way of directing concern, that maybe is more politically acceptable. If you can, if you can wipe one of those

concerns off the table, maybe that, maybe that opens up some doors. But Anna probably has more to add.

Eduardo Porter [01:47:40] Anna Maria.

Anna Maria Mayda [01:47:42] So, I mean, I've worked in this area and there is quite a lot of evidence in the academic literature that these fiscal effects are really important together with non-economic effects, together with cultural effects. What's interesting is that it seems like these fiscal effects are even more important than labor market concerns. And in the policy discussion, we have paid a lot of attention to questions relating to the impact of immigrants on wages, unemployment rates. But when you go and look at the data on the public opinion polls, what you find is that actually its fiscal issues that matter even more than labor market concerns. And, you know, my sense is that one potential reason, I haven't tested that in the data, but one potential reason is that labor market effects tend to be quite concentrated. In general, most of us don't compete directly with the migrants who come in. And while to the extent that tax rates change, provision of public goods changes, we are more or less all affected. And so the evidence is quite broad, it's from the United States, it's from European countries.

So basically what is found is that when low skilled migrants arrive, those at the top of the income distribution worry that tax rates might go up to basically bring back the budget to balance because of the effects that Tara and Wendy talk about in the proposal. At the same time, those at the bottom of income distribution, what about provision of public goods? They're worried that there might be more competition for public goods, and they are bigger beneficiaries in relative terms of those public goods. So there are worries, different sets of worries and the two sides of the income distribution. But definitely there is evidence consistent with the fact that these are important effects from a political point of view.

Eduardo Porter [01:49:59] Yeah, well, I mean, I don't know if this is an unfair question, but I would, I would love to, to, to hear your thoughts on what it would take, if this is an important lever to change the national debate over the pros and cons of immigration in a direction which I think everybody in this room agrees on, which is the nation would benefit from more of it. How could, shouldn't we maybe pull it even harder, not just redistribute it in a way that's more equitable, but like really go pedal to the metal to sort of like basically change the political calculation. So one of the things that strikes me about what we've heard today is, you know, Jenny's proposal, she's very much,

you know, acknowledges, is in favor of more immigration for all its economic benefits, she cranks it up and all she, she comes up with a 10% increase. Which is actually pretty small, frankly. I mean, there's the folks at the National Immigration Forum have made a calculation that just to, to get the, the dependency rate, you need 37% more immigration. So, you know, there's certainly still more to go if our ultimate goal is, is, is kind of like maximizing economic, economic benefits. So I don't know, is can one think of this tool more ambitiously?

Kim Rueben [01:51:27] I was going to say, I think it's hard because I feel like some of this is not the fiscal issue, it's the political issue. As I would talk about the National Academy results, the amount of distrust in believing that immigrants actually bring in more money at the federal level and what this means feels like it isn't necessarily about the research and sort of saying these are what the numbers look like as much as people might be afraid of it. So, so this is a point where I almost wonder if having the labor shortages and having people actually realize that they don't have somebody to take care of their kids, or their parents is something that might be more likely to change the national conversation.

I think, I think the dollars are there and I think people talk about the fiscal issues and the fact that immigrants cost money. But I'm not sure if we basically just showed them the spreadsheet— and I spend a lot of my time showing people spreadsheets— that would be the compelling argument. And so I think it is an interesting point. I guess I am just, I don't know if the two of you have different opinions about whether it is actually the case that if we gave people the numbers and said this will actually make all sorts of money, that would be enough for people, to change where they are politically about this.

Eduardo Porter [01:52:57] And I kind of agree with you, but yeah, go, Tara, sorry.

Tara Watson [01:53:02] Yeah, so I, you know, on the economics, I definitely agree with the proposal, and we go up to 37% or higher even. But I guess, I view this proposal as part of a package of things that could, could move the ball along. So I don't imagine that that just by scaling this up saying, well, why don't we, you know, double the number of immigrants next year and also scale up this proposal? I don't think that alone would do it. But if, if this could be used as a way to say, look, look, Governor, you know, we recognize that there's going to be some short-term cost to you for this. And so we're going to sort of smooth away and we'll also give you maybe some other things that you want. And we'll also give this other governor on the left some other things that they want. You know,

maybe it's part of a way of reconciling the political challenge. I also agree that maybe the labor shortage is a window. But you know, there's a pretty big political roadblock, I think, because right now it doesn't seem like it's in the interest of either party to make progress on this issue.

Eduardo Porter [01:54:13] Yeah. I, by the way, I this is the four-minute warning, I've been I've been warned that I have to, you know, issue it. And I wonder if anybody, if Anna Maria or Kim would like to speak to what Tara just say, I am in total agreement, I don't really think that you can, you can, you know, you can twist the fiscal knob to the point that you solve the politics. I think the politics have to do with many other things. As we were hearing Senator Manchin earlier today, he thinks like a key to the politics is putting a border on the southern Mexican border, a wall on the southern Mexican border, which strikes me as complicated.

But, but so, so let me just kind of like be, be mean here, if, if it's not to achieve this level of political acceptance, and if we know that if you think of it over the lifetime, it's not necessarily true that these places are actually worse off given the cycle, you know, given the, the, the and that, you know, some of these other immigrants might contribute fiscally more than maybe what's the need for this redistribution?

Kim Rueben [01:55:23] I felt like if no other reason, the need for this redistribution is partly recognizing that who is going to benefit from the education that we're spending. And I'm largely focused on the education because that's sort of a big-ticket item for state and local governments. That if we could actually get these kids, you know, have these kids as part of our demographics going forward, they're going to be our labor force. And having them have more of an education and having there be less grumbling about educating them, which state and local governments are the ones that are going to have to do, is going to be in everybody's best interest as we keep aging. And having the federal government pay for it rather than states recognizes the fact that we're increasingly a mobile society and people are moving between states and that, you know, getting all of this done is sort of, it can have multiplier effects and they could actually make it all easier for where we need to go in the federal, you know, in our country as a whole. And so I really like it. But I also think that Tara's point that having this be part of a broader set of, you know, plans or projects that are going on is a great way to think about it. So there are lots of things here that I like, I like thinking about it also in terms of thinking about what else we do to sort of ensure the future of our country.

Eduardo Porter [01:56:53] Thanks. Thanks. So, Tara, we have a full minute that you might want to use to like close us off.

Tara Watson [01:57:02] I guess I would say, you know, what Kim said, and that the federal government ultimately is in charge of making these decisions about our immigration policy. And the effects are not felt fully at the federal level. And so I think it's important to acknowledge that and to acknowledge that there are these inequities. And even if it doesn't solve the entire issue, set of issues that come along with immigration, I do think it would be an important step in building a fairer and more equitable system.

Eduardo Porter [01:57:31] Well, well, thanks. Thanks, Tara, for this fabulous proposal. Thank you all for coming here to, to talk about it. And I will turn this over to, you know, the ghost in the machine here that controls these things from afar. And thanks, people, for coming to listen.

Kim Rueben [01:57:53] Thank you.