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October 11, 2006

**Via Facsimile and U.S. Mail**

Assembly Member Chuck DeVore  
Irvine District Office  
3 Park Plaza Suite 275  
Irvine, CA 92614

Re: Hearings Held by the Task Force on Immigration

Dear Assembly Member DeVore:

The debate on immigration is rife with misconceptions regarding undocumented immigrants and their impact on California. Thorough and thoughtful consideration of the issue is therefore at a premium. Since the Task Force will not be taking public comment on the issue, the ACLU Foundation of Southern California takes this opportunity to submit the following summary of recent research findings on the subject. On behalf of the Coalition for Humane Immigrants Rights of Los Angeles, Los Amigos of Orange County, the Asian Pacific American Legal Center of Southern California, and Sweatshop Watch, we urge the Task Force to sift through the rhetoric and to recognize, as experts consistently have, that undocumented immigrants make significant, positive contributions to the national and local economy and to our overall well-being.

Studies consistently find that undocumented immigrants make significant contributions to the national and local economy. They work, spend money, and pay taxes. They are far from a drain on public resources.<sup>1</sup> They are an integral part of our country and, over the next decade, will play an increasingly vital role in achieving economic prosperity in the United States.<sup>2</sup>

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<sup>1</sup> Studies consistently find that immigrants contribute far more in taxes to the government than they use in government services. See, e.g., M. Fix & J. Passel. "Immigration and Immigrants. Setting the Record Straight. Urban Institute (1994) at 6 ("Overall, annual taxes paid by immigrants to all levels of government more than offset the costs of services received, generating a net annual surplus of \$25 billion to \$30 billion.").

<sup>2</sup> Paral, R. et. al. "Economic Growth & Immigration: Bridging the Demographic Divide." Immigration Policy Center, American Immigration Law Foundation (2005).

**1. They come to the U.S. for work and provide significant labor.**

Undocumented immigrants come to the United States to work. In fact, “[undocumented men come to the United States almost exclusively to work.”<sup>3</sup> They remain employed at high rates,<sup>4</sup> even though they are disproportionately represented in low-wage jobs.

Recent studies have calculated undocumented workers’ significant financial contribution to the national economy. A 2001 study by UCLA’s North American Integration and Development Center found that the undocumented Mexican population alone, if excluded from the country, would result in a dramatic \$220 billion drop in U.S. economic output.<sup>5</sup>

Similarly, a 2000 study found that undocumented labor in selected industries contributes \$1.6 to \$3.8 billion of value added to the Minnesota economy, and that, if undocumented workers were removed, economic growth in the state would be reduced by 40%.<sup>6</sup>

Moreover, a study conducted in 2005 found that less-skilled foreign-born construction laborers enhance the productivity of U.S.-born carpenters, plumbers, and electricians, but do not necessarily substitute for them. More broadly, the different educational level and age profiles of foreign-born and native-born workers indicated that they fill different niches in the labor market.”<sup>7</sup>

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<sup>3</sup> Randolph Capps & Michael E. Fix, *Undocumented Immigrants: Myths and Realities*, November 2005, <http://www.urban.org/publications/900898.html>.

<sup>4</sup> *Id.*

<sup>5</sup> R. Hinojosa Ojeda. “Comprehensive Migration Policy Reform in North America: The Key to Sustainable and Equitable Economic Integration.” North American Integration and Development Center, University of California, Los Angeles (2001) at 6.

<sup>6</sup> J. Kielkopf. “The Economic Impact of Undocumented Workers in Minnesota.” HACER (2000) at 12, 15.

<sup>7</sup> A. A. Nabeel, R. E. Smith. “The Role of Immigrants in the U.S. Labor Market.” United States Congressional Budget Office (2005).

As increasing numbers of native-born Americans obtain college degrees, they have become overqualified for the entry-level jobs often filled by undocumented immigrants. Between 1990 and 2000, major industries requiring semiskilled labor experienced a dramatic increase in their reliance on Mexican workers. Nationwide, the percent of Mexican born workers in the agricultural and related industry rose from 8.8 percent to 15.3 percent; in construction from 3.3 percent to 8.5 percent; in non-durable goods manufacturing from 3.5 percent to 9.1 percent; and in the service industry from 4.2 percent to 9.5 percent.<sup>8</sup>

There is no reason to think that employers will have to rely any less on immigrant workers in the future. During the past decade, foreign-born workers accounted for more than half of the growth of the U.S. labor force. The number of foreign-born workers increased from 13 million in 1994 to 21 million 2004.<sup>9</sup> In recent years, organizations such as the American Health Care Association, the American Hotel and Motel Association, and the National Association of Home Builders have written Congress, expressing concern that many employers “find themselves ‘with no applicants of any kind for numerous job openings.’”<sup>10</sup> The U.S. Bureau of Labor Statistics projects that 22 million new jobs will be created by 2010, with 70 percent of those requiring only on-the-job-training.<sup>11</sup> And, by 2010, 43 percent of all job openings will require minimal education, and the retirement of blue-collar baby-boom workers will leave employers in many sectors of the economy in even greater need of workers.<sup>12</sup>

## 2. They spur the economy and create additional jobs.

Undocumented immigrants contribute to the economy through their consumer spending, which helps spur the economy and create new jobs.<sup>13</sup> Sources of economic input can include

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<sup>8</sup> “Mexican Immigrant Workers and the U.S. Economy,” *Immigration Policy Focus*, September 2002: Vol. 1, Issue 2 at 7. American Immigration Law Foundation.

<sup>9</sup> A. A. Nabeel, R. E. Smith. “The Role of Immigrants in the U.S. Labor Market.”

<sup>10</sup> *Id.* at 5.

<sup>11</sup> *Id.*

<sup>12</sup> Karen Weinstock, *Immigrants' Contribution to Economy Can't be Ignored*, *The Atlanta Journal and Constitution*, September 23, 2002.

<sup>13</sup> While it is commonly assumed that immigration lowers workers' wages, particularly among high-school dropouts, recent studies suggest that “immigration, in the long run, has had only a small negative effect on the pay of America's least skilled workers and even that is arguable.” “Myths and Migration: Do immigrants really hurt American workers' wages? *The Economist* (April 8-14, 2006) at 76. Indeed, a recent study concluded that “between 1980 and 2000 immigration pushed down the wages of American high-school dropouts by at most 0.4%.” *Id.*

opening and using a bank account, shopping for clothes at the local mall or food at the grocery store, or going out to the movies or a restaurant. When there is an increased demand for goods and services, more jobs are created.

A 2000 study of the economic impact of undocumented workers on the State of Minnesota concluded that “at least 20,500, and more likely 48,900, Minnesota workers owe their jobs to the presence of undocumented labor in the industries studied . . . . This means that every undocumented worker produces enough to provide at least one more job to a citizen or legal resident in Minnesota. The corollary is that for every undocumented worker removed from the Minnesota economy, at least one citizen or legal resident loses a job somewhere in Minnesota.”<sup>14</sup>

A 2001 survey by the University of Illinois’ Center for Urban Economic Development found that “[t]he consumer expenditures of undocumented immigrants in the Chicago metro area generate more than 31,000 jobs in the local economy and add \$5.45 billion annually to the gross regional product.”<sup>15</sup>

According to a 2003 study by the Center for Business and Economic Research of the University of Nevada, Las Vegas, “every job filled by a Hispanic immigrant helps create 0.6 of an additional job in the Clark County economy.”<sup>16</sup>

### **3. They pay more in taxes than use in services and benefits.**

Undocumented immigrants pay billions of dollars a year in income, sales, and property taxes (which, even if they rent, are typically factored into rent payments). Although not commonly understood, many undocumented workers pay federal and state taxes, contributing to Social Security, Medicaid, and unemployment insurance, through payroll deductions. UCLA Professor Raul Hinojosa concludes that, in California alone, undocumented immigrants pay \$3.5 billion in federal taxes each year. Many don’t file a tax return with the IRS, even though entitled to a refund, because they fear discovery. The IRS reportedly has \$280 billion that has been deducted from employee paychecks but has not been reconciled with agency records, and much

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<sup>14</sup> J. Kielkopf. “The Economic Impact of Undocumented Workers in Minnesota” at 11.

<sup>15</sup> C. Mehta, N. Theodore, I. Mora & J. Wade. “Chicago’s Undocumented Immigrants: An analysis of wages, working conditions, and economic contributions.” University of Illinois, Center for Urban Economic Development (2002) at vi, 34. Available at <http://www.globalchicago.org/reports/reports.asp>.

<sup>16</sup> J. Casey. “Economic Impact: Study Reveals Hispanics’ Contributions.” *Las Vegas Review-Journal* (April 17, 2003).

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of it is believed to be from undocumented workers' paychecks.<sup>17</sup> The U.S. Social Security Administration has estimated that three quarters of undocumented immigrants pay payroll taxes, and that they contribute \$6-7 billion in Social Security funds that they will be unable to claim.<sup>18</sup>

Likewise, undocumented immigrants tend to underutilize government assistance programs.<sup>19</sup> Unwilling to risk exposure to authorities, they tend to shy away from any involvement with them. In addition, many come from countries with no tradition of social welfare programs and do not seek such programs out.

The net result is that the undocumented immigrants "use fewer public services than they are entitled to."<sup>20</sup> For example, the 2001 University of Illinois' Center for Urban Economic Development study found that "[t]he vast majority of undocumented immigrants reported that they, and adults in their household, do not receive benefits under government safety-net programs, despite their low earnings."<sup>21</sup>

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<sup>17</sup> M. Sanchez. "Undocumented workers see upside to filing with the IRS." *Kansas City Star* (April 16, 2003).

<sup>18</sup> Porter, Eduardo. "Illegal Immigrants are Bolstering Social Security with Billions." *New York Times*, April 5, 2005.

<sup>19</sup> Undocumented immigrants are generally not eligible to participate in federal benefit programs, including, among others, food stamps, temporary assistance for needy families, and unemployment insurance. Their participation is limited in the few programs for which they are eligible. For example, they may only receive *emergency medical services* under Medicaid and *non-cash benefits and in-kind services* provided by the Federal Emergency Management Agency. Children born in the United States are citizens and therefore may be eligible for food stamps and cash assistance even though their parents are not.

<sup>20</sup> R. Hinojosa Ojeda. "Comprehensive Migration Policy Reform in North America: The Key to Sustainable and Equitable Economic Integration" at 23.

<sup>21</sup> University of Illinois' Center for Urban Economic Development. "Chicago's Undocumented Immigrants: an Analysis of Wages, Working Conditions, and Economic Contributions." Executive Summary (2001) at 3.

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As you can see from the discussion above, there is a wealth of information documenting the positive contributions and impact of undocumented immigrants. We urge you to consider this vital information as you consider the issue of immigration.

Sincerely,



Hector O. Villagra  
Director, ACLU/SC Orange County

cc: Coalition for Humane Immigrants Rights of Los Angeles  
Los Amigos of Orange County  
Asian Pacific American Legal Center of Southern California  
Sweatshop Watch