



Contact: Justin Scoggins
Phone: 213.740.5433
Email: scogginj@college.usc.edu

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IMMIGRANT AUTHORIZATION COULD EVENTUALLY BOOST CA ECONOMY BY \$16 BILLION, AMONGST OTHER BENEFITS

The USC Center for the Study of Immigrant Integration (CSII) releases a report today which estimates that California would eventually benefit from Latino immigrant legalization by \$16 billion annually. This would work towards fixing our budget crisis and restoring our safety net programs cut by the state last August. During this period of economic struggle and budget woes, California has a lot to gain from a national legalization policy.

The report entitled “The Economic Benefits of Immigrant Authorization in California” measures the benefits that would accrue to the state and the nation if the currently unauthorized Latino workforce in California were legalized. CSII researchers used a conservative economic model that accounts for the wage “penalty” incurred by the undocumented, assumes a very slow increase in English skills and educational levels, and does not account for gains from future migration. Despite this conservative modeling, the report finds that significant immediate and long-term benefits would accrue not only to affected workers, but to the state and nation overall.

Says Manuel Pastor, report co-author and Co-Director of CSII: “While some say we need to focus on recovering from the recession and not deal with immigration reform, legalizing our unauthorized immigrants could actually be an unexpected source of economic stimulus.”

California is home to 1.8 million unauthorized Latino adults who are an integral part of the economy and whose children are important to the state’s future. Utilizing statistical techniques to compare unauthorized Latino immigrants to authorized Latino immigrants with the same levels of education, English skills, work experience and other characteristics, the report finds that unauthorized Latino immigrants missed out on approximately \$2.2 billion in wages and salary income last year due to their legal status alone. When the multiplier effect of those lost wages on the state economy is taken into account, the total amount that could be gained from authorization reaches \$3.25 billion annually. In addition, the direct effects of wage improvements on income and sales taxes is substantial – including \$310 million in state income taxes, \$74.4 million in sales tax revenue, and \$1.4 billion in income taxes for the federal government last year.

The study finds that other benefits from authorization could include sharp increases in new jobs through both an increase in self-employment among immigrants and increased consumption, and 44,000 fewer children in poverty. These immediate gains would be complimented by future gains, as happened in the 1986 immigration reform, from improvement in education levels and English skills that authorization would enable. This would amount to another \$8.6 billion gain in earnings, which, once the multiplier

effect is accounted for and is added to the initial \$3.25 billion gain, would result in a total addition of \$16 billion annually to the California economy.

Angelica Salas, Executive Director of the Coalition for Humane Immigrant Rights of Los Angeles says, "The future of undocumented immigrants is integral to the future of Los Angeles and California. The findings of this report will contribute to a productive and important debate locally and statewide on the need for comprehensive immigration reform."

The Center for the Study of Immigrant Integration's mission is to remake the narrative for understanding, and the dialogue for shaping, immigrant integration in the United States. Our intent is to identify and evaluate the mutual benefits of immigrant integration for the native-born and immigrants and to study the pace of the ongoing transformation in different locations, not only in the past and present but projected into the future. CSII thus brings together three emphases: scholarship that draws on academic theory and rigorous research, data that provides information structured to highlight the process of immigrant integration over time, and engagement that seeks to create new dialogues with government, community organizers, business and civic leaders, immigrants and the voting public.

For a copy of the report, visit <http://csii.usc.edu> .

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