

Cato on the benefits of comprehensive reform

## Is Immigration Good For America?

According to a recent poll, the biggest concern that Americans have about unauthorized immigration—shared by 44 percent of those asked—is that these newcomers were overburdening government services. As with many issues today, public perception has a significant influence on the nation’s policy response. With this in mind, the Cato Institute has been working hard to answer the critics of—and dispel the myths behind—comprehensive immigration reform.

“The Cato Institute has long been an advocate of immigration reform that allowed a greater flow of labor from around the world to respond to market forces,” NBC News reports. “Cato has been persuasive among Republicans on other issues, and they have been using their influence to gain a welcome ear in Washington.”

At a Cato Policy Forum in July, “What Economists Think about Immigration,” several experts came together in the F. A. Hayek Auditorium to discuss the enormous economic potential of removing most immigration restrictions. Madeline Zavodny, an adjunct fellow at the American Enter-



Appearing on Fox News’ *Special Report* w/ Bret Baier, ALEX NOWRASTEH, immigration policy analyst at the Cato Institute, talked about the enormous economic potential of comprehensive immigration reform. “It’s not just that immigrants are paying more taxes going forward. It’s that they cause the rest of us to be more productive,” he said. “That is the real big fiscal gain.” Nowrasteh has become a significant voice on the national stage after joining the Institute last spring.

prise Institute, delved into the economic benefits of highly skilled immigrants in particular. “The policy implications are very clear,” she said. “We want more highly skilled people patenting, innovating, and creating jobs and businesses.”

Despite the conventional wisdom, the productivity gains from immigration vastly outweigh the economic costs to lower-skilled Americans. As Cato immigration policy analyst Alex Nowrasteh recently wrote in a new analysis, over the long run, “the benefits of increased immigration are fiscally positive for the United States, especially when taking into consideration increased tax revenues, the effects of welfare reform, a larger

and faster growing economy, and the low rate of immigrant welfare use.” In short, reforming immigrant access to welfare programs by, in the words of William Niskanen, “building a wall around the welfare state, not around the country,” will reduce the fiscal costs of immigration.

Nowrasteh has been at the forefront of this debate since joining the Institute last April. This spring, for instance, the Heritage Foundation released a study claiming that legalizing the status of undocumented migrants would cost the U.S. \$6.3 trillion over the next few decades. Even before the study hit the press, Nowrasteh offered a point-by-point critique, urging Heritage to avoid the same errors it made in a 2007 study and eventually debunking the released report as “fatally flawed.”

Nowrasteh pointed out, for example, that Heritage had counted household use of government benefits, not individual immigrant use. However, many unauthorized immigrants are married to and have children with U.S. citizens. Counting the fiscal costs of those native-born U.S. citizens, therefore, massively overstates the fiscal



costs of immigration. “We agree with Heritage that the size and scope of government is enormous,” Nowrasteh said in a debate on Fox Business with Heritage vice president Derrick Morgan. “But the way to diminish that is not to build walls around our labor market.”

“I have *never* seen before a ‘prebuttal’ to a study that hasn’t come out yet,” Clint Bolick, director at the Goldwater Institute and coauthor with Jeb Bush of *Immigration Wars: Forging an American Solution*, said at a Cato Book Forum. “This debate would not be where it is today without the Cato Institute.”

The Institute has long had a major impact on U.S. immigration policy. Cato’s copublication with Blackwell Publishers of the late Julian Simon’s *The Economic Consequences of Immigration*, and other work done around 1990, played a role in liberalized immigration rules in that year. In 1995–96, a left-right coalition managed to prevent restrictive immigration legislation from passing. *A New Republic* article by John Judis said that “what drew its leaders together were the theories and policies developed at the Cato Institute.”

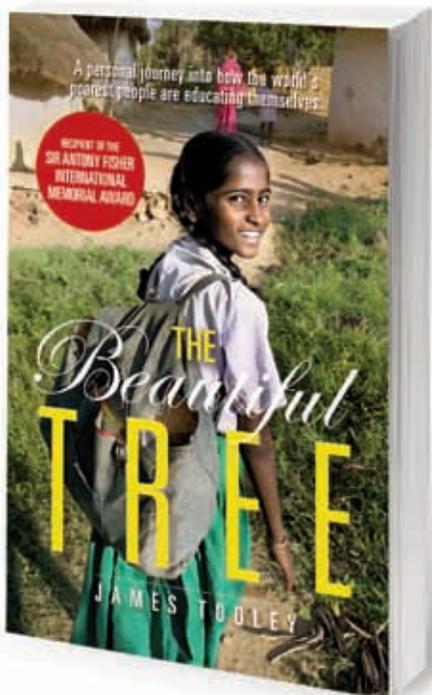
Other observers credited Cato with play-



In *Immigration Wars: Forging an American Solution*, authors **JEB BUSH**, former governor of Florida, and **CLINT BOLICK**, litigation director at the Goldwater Institute, argue that immigration reform should allow the world’s most industrious people to contribute to the American economy. At a Cato Book Forum in June, Bolick (center) argued that the three broad components of reform—better enforcement, a lawful pathway for future migrants, and the legalization of current unauthorized immigrants—must work together.

ing a role in the expansion of visas for high-tech workers in 1998. A 2002 paper by Dan Griswold, former director of Cato’s Center for Trade Policy Studies, on fixing immigration policy became the basis of a bill by Arizona Republicans John McCain, Jim Kolbe, and Jeff Flake in 2003. That bill was, in turn, the basis of an immigration reform proposal by President Bush in 2004.

If done right, immigration reform holds enormous promise for liberalizing international labor markets, as well as increasing economic growth within the United States. As the policy debate heats up in Washington, the Cato Institute will continue to provide the intellectual ammunition necessary to ensure a more open, free, and prosperous country. ■



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