Immigrants in US Economy

Economists generally agree that the effects of immigration on the U.S. economy are broadly positive. Immigrants, whether high- or low-skilled, legal or illegal, are unlikely to replace native-born workers or reduce their wages over the long-term, though they may cause some short-term dislocations in labor markets. Indeed, the experience of the last few decades suggests that immigration may actually have significant long-term benefits for the native-born, pushing them into higher-paying occupations and raising the overall pace of innovation and productivity growth. Moreover, as baby boomers have begun moving into retirement in advanced economies around the world, immigration is helping to keep America comparatively young and reducing the burden of financing retirement benefits for a growing elderly population. While natives bear some upfront costs for the provision of public services to immigrants and their families, the evidence suggests a net positive return on the investment over the long term. Source: (https://www.congress.gov/118/meeting/house/116727/documents/HHRG-118-JU01-20240111-SD013.pdf)

Immigrating is hard. Most immigrants choose to come to the U.S. when they are relatively young and healthy and looking for work. That's why immigrants are more likely to be working age and make up an outsized portion of the workforce. Seventy-six percent of immigrants and 63 percent of U.S. born are "working age" (15 to 64), and while the foreign-born make up 13.6 percent of the U.S. population, they represent 17.4 percent of the workforce.

Immigrant Workers in Our Health Care System: Immigrants play an outsized role at every level of the United States health care system. Immigrants make up 13.6 percent of the U.S. population, but 28.0 percent of the country's 958,000 physicians and surgeons, and 37.9 percent of the 492,000 home health aides. The latter group is especially key for meeting the needs of the United States' rapidly aging population. Geriatric care is one of many areas where the U.S. health care system is facing worker shortages.

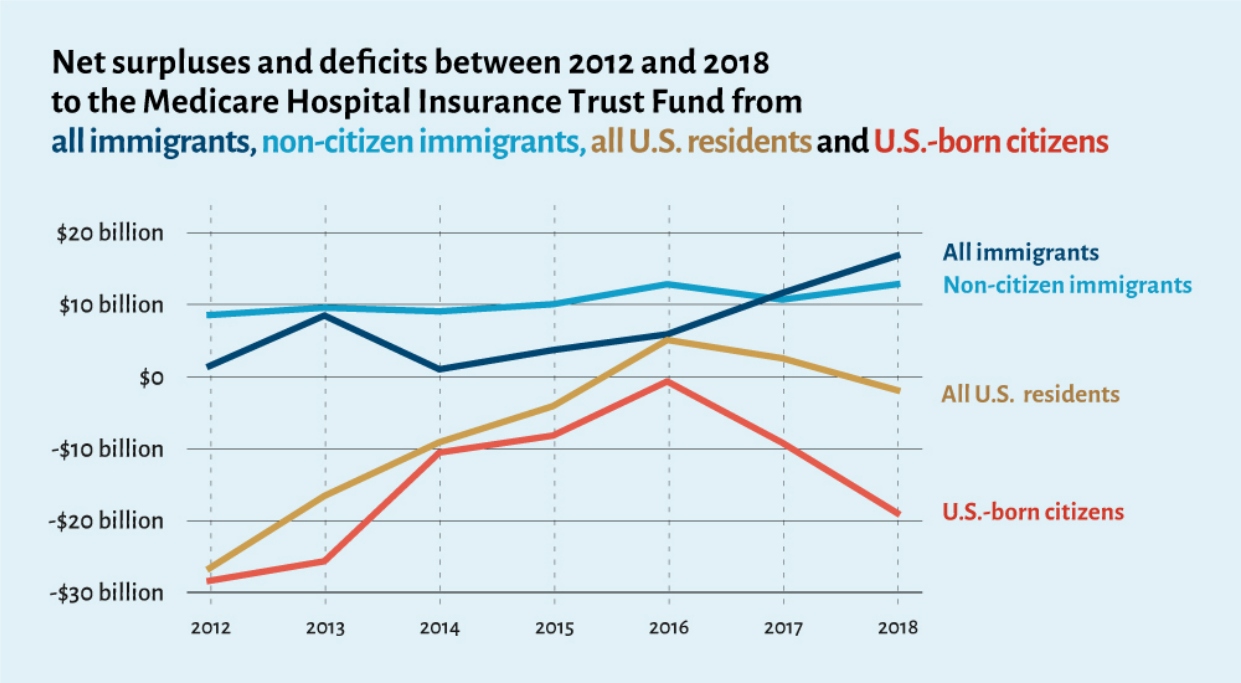
Immigrant workers were particularly vital during the COVID-19 crisis. The huge role they play in the home health aide industry kept many disabled and elderly people out of institutional care facilities, which were hit very hard by the COVID-19 pandemic. They also make up one in eight respiratory therapists, one in 20 emergency technicians and more than half of geriatric medicine specialists.

Immigrants pay more into government health care programs than they use in benefits, creating a net surplus. For example, immigrants paid $51 billion more in taxes that pay for Medicare than they used in Medicare-paid services between 2012 and 2018. The Medicare program has been famously running a deficit for some time and is predicted to become insolvent by 2026. So, how is it that immigrants are creating a surplus? Medicare is funded primarily through a payroll tax that applies to all U.S. workers regardless of immigration status, including more than half of undocumented immigrants. The program is used by eligible U.S. residents who are 65 or older. On average,

immigrants are younger, healthier and more likely to be in the workforce than the U.S. born, and many are simply ineligible for government benefits.

According to a study published in the American Journal of Public Health, immigrants use fewer medical services across the board, reporting "fewer medical visits, inpatient admissions, outpatient hospital visits and emergency medical visits." The disparity is even more pronounced among undocumented immigrants. Researchers at Tufts School of Medicine and Harvard Medical School found that ***undocumented immigrants account for just 1.4 percent of health care spending in the U.S. despite making up five percent of the total population***.

When migrants do need to seek health care, they have limited access to government-funded programs. Only U.S. citizens and permanent legal residents (green card holders) are eligible for Medicare, meaning ***many more migrants pay into the system than benefit from it. Non-citizen immigrants have limited access to programs like Medicaid, and most undocumented immigrants can't get federal health care at all, including Affordable Care Act (ACA) marketplaces***, although some states fund access to these services. Refugees also have limited access to Medicaid and ACA marketplaces. In addition, policies like the public charge rule take rights away from immigrants who use or are predicted to use government benefits. While the public charge rule currently does not include health care benefits, uncertainty around the policy has still had a "chilling effect" that has decreased immigrants' participation even in the programs that are available to them.



The combination of immigrants' high tax contributions, fewer medical needs and limited access to government health care creates a surplus that benefits all Americans.

Immigrants and Agriculture in US: Agriculture and farming is a cherished part of American identity and remains an important part of the American economy. In 2020, the agriculture, fishing, and forestry industries contributed more than $175 billion to U.S. GDP and supported more than 2.3 million workers. The health of America's farms and the agriculture industry, however, is tied directly to immigration. Farmers frequently worry about finding enough workers as few Americans seem willing to take on the most difficult and physical farm jobs—particularly those harvesting fresh fruits and vegetables.

In 2020–22, 32 percent of crop farmworkers were U.S. born, 7 percent were immigrants who had obtained U.S. citizenship, 19 percent were other authorized immigrants (primarily permanent residents or green-card holders), and the remaining 42 percent held no work authorization. The share of workers who are U.S. born is highest in the Midwest, while the share who are unauthorized is highest in California. (Source: https://www.ers.usda.gov/topics/farm-economy/farm-labor)

Eighty three percent of hired crop farmworkers are not migrant workers but are considered settled, meaning that they work at a single location within 75 miles of their home. This share is up from 41 percent in 1996–98, reflecting a profound change in the nature of the crop farm workforce. Among the small share of remaining migrant workers, the largest group is "shuttlers," who work at a single farm location more than 75 miles from home and may cross an international border to get to their worksite. Shuttlers made up about 9 percent of hired crop farmworkers in 2022, down from about 24 percent in 1996–98.

More common in the past, the "follow the crop" migrant farmworker, who moves from State to State working on different crops as the seasons advance, is now a relative rarity. These workers made up just 4 percent of those surveyed by the NAWS in 2020–22, down from a high of 14 percent in 1992–94.

The final category of hired crop farmworkers is newcomers to farming, whose migration patterns have not yet been established. The fact that they now represent just 3.6 percent of the crop farm workforce, down from as much as 22 percent in 1998–2000, in part reflecting the slowdown in net migration from Mexico to the United States since 2007.
(Source: https://www.ers.usda.gov/topics/farm-economy/farm-labor)

Unless otherwise noted, information in this document was from The Immigrant Learning Center (https://www.ilctr.org/)