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STATUS QUO ON IMMIGRATION MORE COSTLY TO U.S. ECONOMY THAN PATH TO CITIZENSHIP, NEW LEVY ECONOMICS INSTITUTE PAPER SAYS

ANNANDALE-ON-HUDSON, N.Y. —Comprehensive immigration reform for America has long eluded Congress. Passed by the Senate, The Border Security, Economic Opportunity, and Immigration Modernization Act remains stalled in the Republican House of Representatives. In a new policy paper, the Levy Economics Institute of Bard College explores the impact that one of the most controversial parts of the bill, the path to citizenship, would have on the U.S. economy, and argues that legalizing a significant proportion of the undocumented immigrant population in the United States would not impose serious costs on either the economy in general or the social insurance system in particular.

In a new One-Pager, *The Impact of a Path to Citizenship on the US Economy and Social Insurance System*, Levy Research Associate Selçuk Eren analyzes a scenario in which 50 percent of undocumented immigrants become legal immigrants and finds that the increases in capital stock, output, consumption, and labor productivity that would result in the U.S. economy, though modest, would outweigh the impact of greater usage of social insurance provisions. Furthermore, the positive macroeconomic effects would actually improve the finances of the social insurance system as a whole. Eren asserts that higher legalization rates would only increase the economic benefits.

"The key takeaway is that we cannot reasonably oppose comprehensive immigration reform on the basis of the alleged economic burden of offering a pathway to citizenship," Eren writes. "Even when we isolate this most controversial element of reform, maintaining the status quo is the most costly option."

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One-Pager No. 39: The Impact of a Path to Citizenship on the US Economy and Social Insurance System

To read the full text of this policy paper, please visit: http://www.levyinstitute.org/publications/?docid=1841 (8.07.13)