

THE MYTH OF THE MELTING POT: AN ECONOMIC ANALYSIS OF IMMIGRATION POLICY IN THE U.S.

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Proposition 187

Supporters of Prop 187 claimed that illegal Latino immigrants placed burdens on schools and hospitals by not contributing as much money in taxes as they used of public services. However, several scientific studies have shown that Prop 187 could have actually increased total healthcare expenses. Other studies have shown that illegal immigrants contribute more in taxes than they consume in public services.



DREAM Act

The DREAM Act achieves its economic value through educating illegal immigrants. The Congressional Budget Office estimated that the 2010 version of the act would reduce deficits by about \$1.4 billion over the 2011-2020 period and increase government revenues by \$2.3 billion over the next 10 years. The Center for American Progress estimates the total economic impact for 2.1 eligible DREAMers to be a \$329 billion boost in the economy.



My capstone examines the topic of Latino immigration through an economic analysis of immigration reform in the United States. As my main case study, I evaluate Proposition 187 from 1994 in California. I then look at three more recent instances of immigration policy: Bush's proposed Comprehensive Immigration Reform Act of 2007, the Dream Act, and H.B. 56 from Alabama in 2012. In investigating these policies, I focus my analysis on their economic effects or projected economic effects. I seek to evaluate the economic arguments made by both supporters and opponents of the legislation. The conclusion I find is that immigration policy in the U.S. does not follow economic logic. I show that the U.S. follows vague economic arguments about the damage Latino immigrants cause more than real economic projections when it comes to immigration policy. This conclusion also has implications for the future, as I believe it is necessary that policy be altered in order to gain economic benefit as the United States moves into the future.



Bush's Immigration Policy

Opponents of President Bush's comprehensive immigration reform in 2007 argued against providing a pathway to citizenship for illegal immigrants. They used many of the same arguments as supporters of Prop 187: that illegal immigrants took jobs from U.S. citizens and depressed wages. Studies have found little evidence for both of these claims against illegal immigrants.



H.B. 56 in Alabama

While supporters of H.B. 56 argued that it would put native workers back in the workforce, when enacted it caused a large shortage of labor that was very costly for farmers. Studies have also estimated hundreds of millions of dollars in lost tax revenue from the bill and total losses of \$10.8 billion. There are further concerns about the negative effect the bill is having and will continue to have on foreign investment in Alabama.

