U. S. Immigration in a Global Context: Past, Present, and Future

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Through the use of their own empirical studies, the authors address three themes: 1) immigration in the global context; 2) the scale and characteristics of immigration to the United States; and 3) the expected future impact of immigration to the United States. The authors focus on U.S. immigration by giving an empirical comparative history which suggests that, while the sheer number of immigrants to the United States has grown, the share of foreign-born people in the U.S. population is well below historic highs. Next they discuss the characteristics of recent and current immigrants to the United States in terms of magnitude, diversity, and conventional notions of "quality" (education and income), as well as the differing types of U.S. immigration policy immigrants may face. Finally, the authors consider the future of immigration to the United States and suggest that legal immigration will continue to have predominantly positive impacts, while negative impacts will continue to flow from illegal immigration. They note, however, that there are powerful principles and restraints that limit efforts to curb illegal immigration. The authors conclude that the situation is not dire; rather, they believe that the ties created by immigrants may become increasingly important to the United States in an interrelated world economy.

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I. INTRODUCTION

In the past generation, the United States has witnessed a major resurgence of mass immigration. To some extent, the increased movement reflects mobility on a global scale, but the United States differs from most countries in terms of the diversity of its immigration and its willingness to adopt the newcomers as part of its permanent population and citizenry. This paper addresses three main themes: (1) immigration in the global context; (2) the scale and characteristics of immigration to the United States; and (3) the expected future impact of immigration to the United States.

II. THE GLOBAL CONTEXT OF IMMIGRATION

About 2% of the world's population live outside their countries of birth. These approximately 100 million people include refugees, asylees, legal immigrants, and unauthorized or illegal migrants. About one-quarter of the world's immigrants are in North America—more than 22 million in the United States and 3 million in Canada. Another one-quarter live in the industrialized countries of western Europe and Asia.

The number of immigrants has grown substantially over the last several decades and is likely to continue to increase in the decades ahead. Growing populations in immigrant-sending countries will remain a significant “push” factor for the foreseeable future. With large wage differentials between sending and receiving countries plus a willingness of Third World migrants to work for low wages, the “pull” factor of labor demand will persist. Finally, established networks of family and friends across international boundaries allow for rapid communication of opportunities and ease the adaptation of newcomers.

Immigration has become a major issue around the world. The large numbers of immigrants obviously affect the receiving countries; immigrants provide needed labor, but are perceived as exacerbating social and economic divisions. The departure of emigrants may somewhat alleviate the population pressures in sending countries, and the funds remitted from these migrants often represent a major source of foreign exchange for the developing nations. On the negative side, those leaving are often “the best and the brightest” these developing nations have to offer. Finally, the failure of policies to control immigration and the inherent unpredictability
of refugee flows are likely to keep the issue on the political agenda in most western countries.

III. U.S. IMMIGRATION—YESTERDAY AND TODAY

Immigration has profoundly affected the character of the United States at several key points in the nation's history, notably the colonial period, mid-nineteenth century, early twentieth century, and the last twenty-five years. The contemporary wave is numerically the largest, but not necessarily the one with the largest impact. The first major immigration to the United States following independence began in the late 1840s, drawing mainly Europeans from the United Kingdom, Ireland, Germany, and Scandinavia. It peaked in the 1880s when a little over 5 million immigrants arrived on U.S. shores.

The next group of immigrants hailed mainly from central and southern Europe. The huge numbers of Italians, Poles, eastern European Jews, and others peaked in the first decade of the 1900s when more than 9 million immigrants flocked to the United States. World War I and restrictive legislation of the 1920s brought an end to this wave; then, the Great Depression and World War II virtually cut off the flow of immigrants. Following the war, immigration began to build again and has since increased steadily.

In the 1980s, immigration reached almost 10 million, the highest numerical peak in U.S. history. More than 10 million immigrants (legal and illegal) are likely to enter during the 1990s, largely as a result of the 1990 Immigration Act.\(^1\) Most of the immigrants in this current wave come from Latin America and Asia.

Of the annual inflow of more than 1 million immigrants, in excess of 800,000 of them are admitted legally in categories that eventually entitle them to become U.S. citizens. There are few countries that regularly accept such large numbers of immigrants on a track that allows them to become citizens. While the U.S. numbers exceed those of all other western countries combined, Australia, Canada, and Israel are also notable for the numbers they accept.

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In 1990, there were 19.7 million foreign-born persons (aliens and naturalized citizens) living in the United States, 34% more than in 1980. By 1994, the foreign-born population had reached 22 million. This figure is probably the largest in the world, but several countries such as France (6 million in 1982) and India (almost 8 million in 1981) have sizable foreign-born populations even though they are not generally thought of as immigrant countries.\(^2\)

The share of the population that is foreign-born in the United States—8% in 1990—is much lower than its historical peak and very much lower than in many other countries, immigrant and nonimmigrant alike. Throughout the 1870-1920 period, close to 15% of the U.S. population were immigrants, almost double the current percentage. The other major immigrant-receiving countries have much smaller populations than the United States, but have much higher percentages of immigrants: Canada, 16% in 1986; Australia, 21% in 1987; and Israel, 43% in 1981. A number of small countries have huge percentages of immigrants, although the immigrants will generally be ineligible for citizenship. These countries include: Luxembourg, 24% in 1981; Macau, 40% in 1981; Hong Kong, 11% in 1986; and Kuwait, 60% in 1985.

In Europe, the percentage of foreign-born people varies considerably. Many European countries not usually thought of as immigrant countries have foreign-born populations that approach or exceed U.S. percentages; for example: Sweden, 9.2% in 1992; France, 7.3% in 1990; and Germany,\(^3\) 7.2% in 1991. Italy, however, has a much lower level at just 3% in 1991. With free movement now allowed in the European Community (EC), the concept of immigrant may have to change. The relevant categories are likely to become EC Europeans, non-EC Europeans, and non-Europeans. However, in most countries, the track to citizenship is a difficult one for foreign-born persons.

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2. Data are not yet available for the countries of the former Soviet Union, nor are there data for China, which has more than 1 billion people.
IV. CHARACTERISTICS OF IMMIGRANTS TO THE UNITED STATES

A. Policy Context

The structure and goals of U.S. immigration policy are frequently misunderstood in contemporary debates. U.S. immigration policy needs to be viewed not as one, but as three fundamentally different sets of rules. There are those that govern legal immigration (i.e., mainly sponsored admission for family and work); those that govern humanitarian admissions (refugees and asylees); and those that govern illegal entry. The distinction is important for several reasons. Each set of rules is governed by different legislation, involves different networks of bureaucracies, is guided by different goals, and results in immigrants with largely different characteristics.

Attention focused on the failure to control undocumented immigration has led journalists, the public, and many politicians to conclude that U.S. immigration policy, as a whole, has failed. Our research and that of others (some of which is presented below) indicate that this is not the case. However, as a result of the focus on undocumented immigration, the “bright line” between legal and illegal policy has been blurred and the legitimacy of legal and humanitarian admissions has been eroded.

Another result of failure to recognize these distinctions is the common misunderstanding that U.S. immigration policy is driven almost entirely by economic goals. In fact, legal immigration policy serves many goals. The economic ones can sometimes be contradictory—increasing U.S. competitiveness abroad may conflict with raising the standard of living and protecting U.S. jobs. Immigration policy is also intended to serve the important social goal of unifying families (principally of U.S. citizens) and the cultural goals of promoting diversity in the U.S. population and immigrant stream. Refugee policy is intended to serve the moral goal of promoting human rights. Most current assessments of U.S. immigration policy do not acknowledge the power and value of these non-economic goals.

Finally, the number, characteristics, and patterns of adaptation of immigrants entering the United States as refugees, as legal immigrants, and as illegal immigrants differ in important ways that are often ignored in research and policy debates.
B. Magnitude of Immigrant Flows

The composition of the immigrant population and flow is generally misperceived. The vast majority of immigrants in the United States are here with the nation’s express consent. Of the almost 20 million immigrants counted in the 1990 Census, only about 15% are here illegally. Even by 1992, the best estimates show about 3.4 million illegal aliens in the country. Between one-quarter and one-fifth of the annual immigration flow (200,000-300,000) consists of illegal immigrants who enter and stay. This figure, although not insignificant, is far below the more than one million apprehended at the border each year; these are largely temporary labor migrants who tend to be apprehended multiple times, make multiple trips to the United States, and often leave the country uncounted and largely unnoticed.

The character of illegal immigration is also misunderstood, as it is associated almost wholly with Mexico. Although Mexicans represent the largest component of the illegal population, more than one-half of undocumented immigrants enter legally but overstay the terms of their temporary visas. Consequently, the undocumented population is more ethnically diverse than is commonly assumed (i.e., only about 40% are Mexican) and control measures will require more than improved enforcement and barriers along the southern border.

The composition of the legal admissions also fails to fit many preconceptions. Family admissions (more than 500,000 per year) account for about half of legal admission. The majority of these are relatives of U.S. citizens (i.e., either persons born in the country or immigrants who have demonstrated a strong allegiance to the United States by naturalizing), not recently-arrived aliens. Humanitarian admissions represent about one-sixth of the annual flow (130,000). Only about one-seventh of annual legal immigration consists of economic or employment-based admissions (116,000 in 1992). Furthermore, fewer than half of these admissions are principals (i.e., persons admitted for employment); the rest are their spouses and children.

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C. Diversity and Origins of Immigrants

One of the most striking developments in U.S. immigration policy since 1965 has been the shift in origins of the immigrants. In the 1950s, Europe and Canada sent two-thirds of legal immigrants to the United States; by the 1980s, those countries accounted for only 15%. In the 1950s, Asia represented only 6% of the flow, but by the 1980s, it reached 45%. While 40% of legal immigrants in the 1980s came from Mexico and the rest of Latin America, a figure that has not changed since the 1960s, this share does not include the large undocumented flow from the region.

Though the majority of immigrants now come from Asia and Latin America, steadily increasing immigration coupled with per-country limitations on legal flows has increased the diversity of the immigrant population. More countries are represented in the flow; the top ten source countries accounted for 65% of the admissions in 1960 versus only 52% in 1990. Furthermore, the number of countries with more than 100,000 foreign-born residents in the United States increased from twenty-one to forty-one between 1970 and 1990.

D. Characteristics of Immigrants

The shift in origins of immigrants has led to a broad perception that there has been a decline in the "quality" of immigrants over the past several decades. Our research indicates that "quality" is related to legal status rather than country of origin. Despite widespread belief to the contrary, when U.S. census data are disaggregated, they reveal that recent legal immigrants exceed natives on conventional measures of "quality." On the most often used criterion, education, the credentials of legal immigrants—which were

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5. We use countries of birth as a proxy for legal status. Eleven countries (Albania, Poland, Romania, U.S.S.R., Afghanistan, Cambodia, Iraq, Laos, Vietnam, Ethiopia, and Cuba) accounted for almost 90% of refugee admissions during the 1980-1990 decade. In addition, over 80% of admissions from these countries were refugees.

Three countries (Mexico, El Salvador, and Guatemala) represented substantially more than half of the illegal immigrants during the 1970s and 1980s. Legal admissions (not including those who acquired legal status under the amnesty provisions of the Immigration Reform and Control Act of 1986, Pub. L. 99-603, 160 Stat. 3359) during the 1980s accounted for less than 30% of the people from these countries who were counted in the 1990 Census.

The remaining countries account for more than 75% of non-humanitarian admissions; a great majority are legally admitted.
high to start with—actually increased during the 1980s. About one-third of the legal immigrants had college degrees, compared with only one-fifth of natives. Only one-quarter of the legal group had less than a high school diploma, a figure just marginally greater than the native population.

The educational credentials of immigrants from countries that sent large numbers of illegal immigrants account for the perception of declining immigrant quality. Dramatically low numbers of immigrants from these countries (less than 5%) have college degrees, while more than 75% have less than a high school diploma. The educational profile of refugees is intermediate.

An even better measure of “quality” may be household income. Recent legal immigrants have average household incomes that fall only 6% below those of natives. For those who arrived before 1980, both legal immigrant households and refugee households have average incomes that significantly exceed those of natives. Again, the recent refugees and immigrants from countries sending large numbers of illegal immigrants both have low incomes and account for the perceived low “quality” of recent immigrants. This pattern of improving incomes with increased duration of residence in the United States suggests that any assessment of immigration policy needs to take a dynamic view of immigration.

V. IMPACT OF IMMIGRATION ON THE UNITED STATES

In addition to the scale of current immigration and its diversity, several other factors must be taken into account when assessing its impact. The impact of immigration is intensified by its pace. Almost one-half of immigrants in the United States today were not here a decade ago. In contrast, only 29% of the 1970 immigrant population had arrived in the previous decade. Because immigrants’ incomes tend to rise with their time in the United States, as does their knowledge of English and other dimensions of adaptation to their new country, the recency of arrival of today’s immigrants leads to a misperception of their potential for integration into U.S. society.

The characteristics of these three groups approximate those of refugees, illegal entrants, and legal immigrants, respectively.

6. All education percentages relate to the population aged 25 years and older.
A. Geographic Concentration

Unlike most other social issues in the United States, immigration has its most pronounced effects in only six states. More than three-quarters of immigrants entering in the 1980s went to New York, Texas, Florida, Illinois, New Jersey, and California (which itself received almost four of every ten). In contrast, only about 57% of immigrants in the 1900s and 1910s settled in the top six states. In addition, immigration is largely an urban phenomenon. Over 93% of immigrants settle in metropolitan areas versus only 73% of natives. The combination of geographic concentration and the general decline of urban institutions (notably schools) complicates the country's ability to integrate newcomers and distorts perceptions of immigrants' impacts.

B. Economic Impacts

Recent concerns about immigrants' economic impacts are undoubtedly exacerbated by the failure of the U.S. economy to create jobs between 1989 and 1992, when the net job creation amounted to 250,000 jobs (in contrast with the 7.7 million jobs added during 1986-1989). During the 1989-1992 period, several million new immigrants continued to arrive. Of course, since then, the economy has grown rapidly, so perceptions of immigrants may change in the near future.

Our review of the economic literature indicates that despite claims that immigrants displace native workers from jobs, studies using aggregate statistics drawn from the 1990 Census indicate that immigration had no meaningful job displacement effects. The studies also indicate that the effects of immigrants on wages are small, varying from place to place depending on the strength of the local economy. In strong local economies, immigrants increase economic opportunities for natives; in weak ones, they have a small negative effect on the economic opportunities of low-skilled workers.7

These results may seem counterintuitive. However, many commentaries overlook the positive, but often indirect, benefits of immigration. Immigrants are slightly more likely than natives to be self-employed, often

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employing natives as well as other immigrants. The incomes that immigrants earn, save, and spend ripple through the nation's economy in ways that are only rarely credited to immigrants. According to the 1990 Census, immigrants earned over $285 billion in 1989 or about 8% of total income, almost exactly the same as immigrants’ share of the total population.

C. Public Sector and Fiscal Impacts

Perhaps the most hotly contested question in contemporary debates of U.S. immigration policy is “Do immigrants pay more in taxes than they use in public services?” The best recent research uses a variety of data sources and modes of inquiry to estimate that immigrants arriving after 1970 pay taxes of $70 billion to all levels of government—a net surplus of $25 to $30 billion more than they use in public services. This finding is sharply at odds with the received wisdom in the current debate—a debate that is being fed by a number of very seriously flawed studies done by groups advocating lower levels of legal immigration or by governments seeking “reimbursement” for their expenditures. The impacts, however, vary considerably by legal status and level of government.

Overall, immigrants represent a net fiscal plus. Most of this accrues from legal immigrants. Illegal immigrants seem to generate more expenses than revenues across all levels of government. The structure of fiscal federalism in the United States often obscures the positive aspects of immigration. Studies consistently find that immigrants represent a net gain to the federal government; that their impacts vary at the state level, depending on the structure of state services; and that immigrants, like natives, use more in services than they pay in taxes at the local level. These patterns of differential impact (or intergovernmental inequity) are exacerbated by geographic concentration.

A particularly contentious area of fiscal impacts has been immigrants’ use of public assistance. Here again, a full understanding requires distinguishing among immigrant groups on the basis of when they arrived in the country and their legal status at time of entry. In doing so, the principal result is that welfare use among immigrants is concentrated among

refugees to a degree that is largely unrecognized, owing principally to the facts that refugees, unlike other immigrants, are eligible for benefits from the time they arrive in the country and that they are encouraged by many refugee-integrating programs to enroll for welfare benefits. Another group of immigrants with disproportionate use of welfare is elderly immigrants who come to the country at such advanced ages that they can not accumulate sufficient work experience to qualify for Social Security benefits. Welfare use among working-age immigrants (ages fifteen to sixty-four) is extremely low and, contrary to popular perception and some current research, falls well below that of natives.

VI. THE FUTURE OF IMMIGRATION TO THE UNITED STATES

This final section attempts to look into the future. The “momentum” of immigration flows, the openness of U.S. society, and the U.S. role in global economies all imply continued immigration at relatively high levels. Attempts to reduce legal immigration may shift some of the flow into illegal status. This section includes an assessment of the impact of future immigration on the population, racial-ethnic composition, and labor force of the United States, and a commentary on the interrelationship of immigration and world economic concerns.

A. “Momentum” of Immigration and Barriers to Reform

Networks supporting continuation of immigration to the United States have developed over the past three decades and seem to be firmly entrenched. Population pressures in less developed sending countries will not abate in the foreseeable future. Thus, the demand to immigrate to the United States will remain high.

A major revision of laws regulating legal immigration was only recently enacted in 1990. That act created the Commission on Immigration Reform, charged with the task of reviewing and assessing the impact of high

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9. Supplemental Security Income (SSI), the principal assistance program for elderly, and Social Security probably represent the major route to Medicaid and health insurance for these immigrants.
10. Welfare use among illegal immigrants seems undetectably low.
levels of immigration on virtually all segments of U.S. society. These factors, together with the non-ideological character of the current administration and the current leadership at the Immigration and Naturalization Service (INS), suggest that the time is not ripe for a comprehensive overhaul of U.S. immigration policy. Finally, improvements in the national economy and hoped-for improvements in key regional economies (particularly California) may diminish calls for reductions in levels of legal immigration.

There does seem to be widespread support, however, for tightening controls on illegal immigration and, possibly, restricting immigrants' access to public benefits. The major proposals relating to illegal immigration have a number of obstacles to overcome before enactment. The major proposals include: increasing border enforcement; expanding worksite enforcement, principally through a national identity card and electronic verification to determine work eligibility; and limiting benefits, including the right to attend public schools and the right of children born in the United States to undocumented parents to acquire U.S. citizenship at birth.

A number of powerful principles and constraints will limit efforts to curb illegal immigration. There is a reluctance to increase discrimination against minorities in U.S. society. Efforts to increase worksite enforcement of employer sanctions may lead to increased discrimination against legal immigrants and natives who share the physical characteristics of undocumented immigrants. Legislative and administrative efforts to mitigate such discrimination will be required, but are likely to encounter resistance from several other directions. The general desire to maintain the openness of U.S. society and the need to limit the burden placed on employers and job applicants are very likely to threaten efforts to regulate employer hiring practices.

Proposals that would create a new underclass composed of innocents (i.e., the children of undocumented immigrants) are unlikely to have a strong national constituency. Enactment of the required constitutional amendment to limit access to public education will exact a very high political price. In addition, cost barriers will be very real. The massive new enforcement effort of a national identity card and/or expansion of enforcement efforts

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beyond those of INS will encounter constraints of budgetary and administrative capacity.

The final constraint on efforts to tighten controls on illegal immigration is that regimes of regulation that work in the formal economy may not work in the growing informal economy. If a growing share of illegal employment of undocumented immigrants is knowing and consensual between employer and employees, then many of the proposed reforms will be less effective than might be hoped.

B. Demographic Impacts of Continued Immigration

The Urban Institute has developed methods of projecting population that permit isolation of certain impacts of immigration. The future is always uncertain, particularly for immigration flows that are subject to legislative intervention. Nevertheless, projections consistent with levels of immigration allowed by the 1990 Immigration Act provide some insights into likely trends.

The overall U.S. population is projected to grow from 249 million in 1990 to more than 300 million by 2010 and to 355 million by 2040. Almost two-thirds of the growth projected over the next fifty years is attributable to roughly 70 million post-1990 immigrants and their offspring. Immigrants will become a larger share of the population, increasing steadily until about 2030 when they will level off at about 14%, or roughly the same level as during the 1870-1920 period. The number in the second generation (i.e., U.S.-born children of immigrants) will begin to grow, reversing a trend of the past fifty years to reach 45 million by 2040. At that time 27% will be immigrants or their offspring, versus about 18% today.

The racial-ethnic composition of the U.S. population will continue the changes of recent decades. The Hispanic population, at current levels of immigration, will exceed the African-American population in about fifteen years, becoming the largest minority population in the United States. By 2040, the Hispanic population will reach 64 million or 18% of the population; the Asian population will reach 35 million, or 10%. The African-American population, although it will grow to about 44 million, will remain at roughly 12% of the total population. By 2040, about 40% of the

population will consist of racial or ethnic minorities. The African-American population, which represented almost 90% of the minority population in 1950 and 50% in 1990, will drop to less than one-third of the minority population.14

Schools and the labor force will continue to feel the impact of immigration. Between 1990 and 2010, over one-half of the growth in the school-age population15 will be children of immigrants as they increase from 5 million to 9 million. The foreign-born share of the labor force will rise from almost 10% in 1990 to 12% in 2000 and 14% in 2010.16 An additional 6 million new immigrants will join the labor force in each of the next two decades, accounting for about one-third of the labor force change, up from one-quarter in the 1980s.

VII. CONCLUSION

The United States is currently experiencing high levels of immigration, principally from developing countries of Latin America and Asia. Other industrialized countries are also experiencing what are for them historically high levels of immigration, with much of it being undocumented. Politicians throughout these countries are attempting to deal with the perceived impacts of immigration and fears about the future.

There are a number of reasons, however, for thinking that the situation of the United States may not be dire. First, the United States has a long history of receiving immigrants from "new" areas and, although accommodation has not been without difficulties, it has invariably occurred. U.S. policy allows for, and even encourages, immigrants to adopt U.S. citizenship. Naturalizations have been increasing and rates are quite substantial for immigrants from a number of countries, particularly Asian countries.17

14. These projections assume a static model of racial-ethnic identity (i.e., Hispanic persons have only Hispanic children, Asians have only Asian children, etc.). However, high levels of intermarriage and the fluid nature of ethnic identity in the United States can affect the future of racial and ethnic composition, even under identical demographic assumptions. For example, current intermarriage patterns could lead to variations in the Hispanic population from a low of roughly 51 million to a high of 78 million.
15. Ages 5 through 14.
16. These projections rely on demographic assumptions about the supply of labor. They are not based on assumptions about demand for labor or the rate of job creation.
17. U.S. IMMIGR. & NATURALIZATION SERVICE, STAT. Y.B. OF THE IMMIGR. &
Despite rhetorical excesses about immigrants, the economic and social impacts of legal immigrants appear to be largely positive. To the extent that negative impacts occur, they seem to be principally attributable to fiscal effects of large-scale illegal immigration and, to some extent, to temporarily troubled, key local economies. The geographic concentration of immigrants remains a source of potential political and economic difficulties. Economic recovery in California is likely to reduce tensions over immigration dramatically.

As a result of the high levels of immigration, the United States has a substantial population with familial, ethnic, and language ties to some of the economies that will be among the most dynamic over the next decades. With increasing ease of communication and travel, these ties may be instrumental to enable the United States to become an active and successful actor in an increasingly interrelated world economy.
