

THE ECONOMICS OF U.S. IMMIGRATION POLICY

Pia M. Orrenius and Madeline Zavodny

The economic gains from immigration are much like those from international trade: The economy benefits overall from immigration, but there are distributional effects that create both winners and losers. Immigration is different from trade, however, in that the physical presence of the people who provide the goods and services that drive the economic gains also raises other issues, such as whether immigrants are a fiscal drain.

It may be no surprise then that Americans' views on immigration are mixed. Polls show that the majority of Americans think immigration is "a good thing" for the United States (Gallup, 2011). Nonetheless, most Americans want immigration to decrease or remain at its present level; less than 20 percent of Americans support an increase in immigration (Gallup, 2011). We discuss below potential reasons why Americans are concerned about immigration. Many of the concerns stem from the belief that immigration has adverse labor market and fiscal impacts, although the economic evidence on these issues is mixed.

Public concerns about immigration, particularly unauthorized immigration, have led to a number of state-level immigration laws but little action at the federal level in recent years. As we argue below, the federal government's failure to enact a major change in immigration policy since the Immigration Act of 1990 has resulted in an increasingly strained, inefficient immigration system in dire need of overhaul. One clarification on terminology: We use the terms "immigrant" and "foreign-born" interchangeably throughout this article.

FACTORS DRIVING PUBLIC CONCERNS OVER IMMIGRATION

Rightly or wrongly, immigrants have been a popular scapegoat for society's ills throughout history. Today, as in the past, some concerns are more justifiable than others. The public's main concerns center on the labor market and fiscal impacts of immigration.

Public concerns over immigration are first and foremost driven by the increase in immigration in recent decades, particularly of unauthorized immigration. In a phenomenon sometimes referred to as the "second great migration," the foreign-born population increased from 9.6 million in 1970 to 40 million in 2010. As a share of the population, the foreign born rose from a historic low of 4.7 percent in 1970 to 12.9 percent in 2010.

Unauthorized immigration has likely increased even faster than overall immigration. The undocumented population rose from a few hundred thousand, primarily agricultural workers, in the late 1960s to 2 to 4 million, mainly living in urban areas, in 1980 (Warren and Passel, 1987). The undocumented population rose further to 8.4 million in 2000 and 11.2 million in 2010 (Passel and Cohn, 2011). This increase occurred despite a large amnesty in 1986 that legalized nearly 3 million undocumented immigrants (Orrenius and Zavodny, 2003).

This upswing in migration has been accompanied by a shift in the composition of immigrants. Before immigration policy was overhauled in 1965, national origin quotas limited migration from Asia, and Europeans comprised the bulk of the small inflow of immigrants. The 1965 law ushered in a family reunification-based policy, and consequently there was a dramatic increase in legal immigration from less-developed countries (Orrenius and Zavodny, 2010). Over time, the policy shift resulted in immigrant flows that were relatively less educated and more diverse. Rising unauthorized immigration from Mexico and Central America also resulted in large numbers of less-educated immigrants. According to the 2010 American Community Survey, 32 percent of immigrants ages 25 and above lack a high school diploma versus just 11 percent of natives.

Most U.S. immigrants are active participants in the labor market, which may contribute to natives' fears over labor market competition. Foreign-born workers comprise 16 percent of the labor force, and unauthorized immigrants 5 percent (Passel and Cohn, 2011). The skewed education distribution of immigrants leads to concentration of foreign-born workers in certain occupations.

Contributing to fears over the wage and employment effects of immigration are the ongoing trends of declining real wages among blue collar men and rising wage inequality (Autor, 2010). Research attributes little of these trends to immigration (e.g., Card, 2009), but in popular perception they are related.

Lastly, the spread of immigrants from traditional gateway states to new destinations in the 1990s and 2000s has meant that natives who formerly had little interaction with the foreign-born population have seen immigrant populations surge (Massey, 2008). Immigrants were attracted to new destinations in the Southeast and Mountain West by growing industries, such as construction, meatpacking, and poultry processing. Their large numbers and abrupt arrival have caused concern among some natives in those areas.

EVIDENCE ON IMMIGRATION'S IMPACTS

While research is divided on the size and significance of the labor market effects of immigration, particularly low-skilled immigration, economists generally agree that the net fiscal impact is negative.

Labor Market Effects

The preponderance of the evidence on the wage effects of immigration indicates that immigration likely has had a small adverse effect on low-skilled natives' wages, but no significant negative effects on medium- and high-skilled natives' wages. That said, estimates of wage effects depend on the methodology employed. Most research on the effects of immigration on wages uses a cross-area approach, which compares wages in an area with the area's share of immigrants. If immigration reduces wages, earnings should be lower in areas with a larger foreign-born population share. Such studies generally find that immigration has had little or no significant negative effect on natives' wages (Card, 2005; Orrenius and Zavodny, 2007). Similarly, studies based on natural experiments, such as the Mariel boatlift that brought 125,000 Cubans into Miami over a period of a few months, tend not to find adverse wage effects on natives (Card, 1990).

Studies that use factor proportions models with national-level data, which make assumptions about the elasticity of substitution between immigrants and natives to estimate the wage effects of immigration, reach mixed conclusions. Borjas (2003) concludes that immigrant inflows between 1980 and 2000 reduced the average wage of natives who had not completed high school by almost 9 percent. Ottaviano and

Peri (2012), in contrast, find a much smaller effect by simply using different assumptions regarding the substitutability of immigrants for native workers.

Markets may adjust in a number of ways in response to immigration. Some of these adjustments lessen immigration's labor market impact. These adjustments potentially include changes in labor-capital mix (Lewis, 2011); changes in output (e.g., Mazzolari and Neumark, 2009); offsetting migration by natives (Borjas, 2006); decreases in prices (Cortes, 2008); and increased aggregate demand arising from a larger population (Bodvarsson, Van den Berg, and Lewer, 2008). Effects may be multifaceted. For example, the influx of low-skilled immigrants has created a supply of nannies and maids in major cities, which has led to increases in labor supply among well-educated native women and a corresponding decrease in the time native women spend on household work (Cortes and Tessada, 2011). An increase in immigration may lead natives to move into communications-intensive jobs from manual labor jobs (Peri and Sparber, 2009).

Research on the wage effects of immigration is in agreement in three areas. First, wage effects are a distributional issue. A decline in wages (labor costs) benefits consumers and producers in the form of lower prices and thus enhances the benefits of immigration. This means that adverse effects on certain groups can in principle be offset by redistributing gains from winners to losers instead of limiting immigration. Second, wage effects on natives should not persist in the long run. Third, the group most adversely affected by additional immigration is earlier immigrants, because they are the closest substitutes for new immigrants.

Less research has examined employment effects. Card (2001) concludes that migrant inflows during the late 1980s reduced employment rates by 1 to 3 percentage points, with the effects largest in cities that received the most immigrants, such as Los Angeles and Miami. Borjas, Grogger, and Hanson (2006) and Smith (2012) report substantial negative employment effects among black men and youth, respectively.

Fiscal Impact

Conventional estimates indicate that the economic benefits of immigration to natives are just a tiny fraction of GDP (Smith and Edmonston, 1997). The fiscal impact of immigration can be sizable, however, because of the magnitude of low-skilled immigration. High-skilled immigrants partially offset the fiscal costs of low-skilled immigrants, and over time, the educational assimilation of the descendants of less-educated immigrants makes up for the costs imposed by earlier generations. At a point in time, increased federal revenues from payroll taxes partially compensate for higher state and local government expenditures related to schooling and health care.

Immigration's fiscal impact is the difference between taxes paid by immigrants and the cost of providing them with government services. The fiscal impact can be calculated for individuals or households, annually or over a lifetime. Tax payments include income, payroll, property, and sales or value-added taxes. Government services include, but are not limited to, welfare, public health insurance (Medicare and Medicaid), public pensions (Social Security), public education, and emergency medical care.

In a comprehensive study, Smith and Edmonston (1997) conclude that the net present value of immigration's fiscal impact depends on education levels (which is also true for natives). Immigrants with less than a high school education cost \$89,000 more (based on 1996 estimates) than they contribute in taxes over their lifetimes, whereas immigrants with more than a high school education contribute \$105,000 more in taxes than they use in public services. In other words, low-skilled

immigrants, much like low-skilled natives, are a fiscal drain on taxpayers. More recent research is needed on immigration's fiscal impact in the United States.

State and local governments bear the brunt of the fiscal impact of low-skilled immigration, because they largely fund public education and many public assistance programs. Unauthorized immigrants impose net costs on taxpayers, but their fiscal impact is smaller than that of low-skilled legal immigrants because unauthorized immigrants are ineligible for almost all government transfer programs.

RECENT IMMIGRATION-RELATED LEGISLATION AND INITIATIVES

Mounting concerns about the volume and impact of immigration, particularly unauthorized immigration, have resulted in gridlock in Washington, DC, but lots of activity at the state level. The federal government last enacted significant immigration legislation in 1996. Since then, action at the federal level has been piecemeal efforts mostly focused on enhancing border and interior enforcement. After efforts to pass comprehensive immigration reform failed in 2006 and again in 2007, states began to craft their own immigration laws. In 2011, state legislatures considered over 1,600 bills and resolutions related to immigration (National Conference of State Legislatures [NCSL], 2012). Most of this activity was directed at unauthorized immigrants.

Federal Level

In 1996, the federal government reduced immigrants' eligibility for public assistance and tightened policies regarding unauthorized immigrants. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) restricted the ability of legal immigrants who were not yet citizens to receive means-tested benefits. The Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) increased funding for border control, instituted three- and 10-year bars on readmission for unauthorized immigrants, and launched Basic Pilot, an employment verification program that was the precursor to E-Verify, among other measures.

These laws resulted in significant decreases in means-tested program participation by immigrants and their children that outstripped decreases among natives (e.g., Bitler and Hoynes, 2011; Fix, Capps, and Kaushal, 2009). Interestingly, participation in means-tested programs declined even among eligible immigrants and immigrants' U.S.-born children, who are eligible on the same terms as other U.S. natives. This suggests that there may have been a chilling effect among immigrants (Fix and Passell, 1999; Watson, 2010). The long-term impact of decreased program participation on outcomes is not yet known, but research suggests that poverty has risen and health has worsened among children of immigrants (Bitler and Hoynes, 2011; Kalil and Crosby, 2009). Recent immigrants' labor market participation increased after welfare reform (Kaestner and Kaushal, 2005).

Since 1996, much of the policymaking at the federal level has been through initiatives and rule making by the executive branch, not legislation. After the 9/11 terrorist attacks, the Social Security Administration ran a large-scale "no-match letter" campaign notifying employers when an employee's name and social security number did not match administrative records. Research suggests that the tougher enforcement climate after 9/11, including the no-match initiative, was associated with a decline in employment and earnings among Hispanic immigrants likely to be unauthorized (Orrenius and Zavodny, 2009). The Bush administration later required that federal contractors and subcontractors participate in E-Verify, created the 287(g) program that trains state and local police to enforce federal immigration law, and launched Secure Communities, a program that checks whether immigrants in police custody are deportable.

The federal government has addressed few aspects of legal migration since 1990. Since then, the backlog of people approved for green cards has soared, with the wait for a permanent resident card now extending for decades for some categories of family-sponsored and employment-based immigrants. The number of H-1B visas available for high-skilled, temporary foreign workers in specialty occupations was increased during the late 1990s Internet boom but then reverted to the original quotas. The number of H-1B applications has far outstripped supply in most years since. Likewise, demand for H-2B visas for temporary nonagricultural workers has exceeded supply most years, but the federal government has not changed the number of visas available. Instead, the Obama administration has implemented considerably stricter regulations for the H-2A and H-2B programs for temporary foreign workers.

State Level

In 1994, California's proposition 187 ushered in a new era of state involvement in immigration policy. The successful ballot initiative prohibited unauthorized immigrants from participating in publicly funded programs, including K-12 education, but was ruled unconstitutional before it could be implemented because it infringed on the federal government's exclusive jurisdiction over matters related to immigration. Many of the more recent state laws have been challenged on similar grounds, although not all have met the same fate.

Major immigration legislation at the state level in recent years includes laws in Arizona, Utah, Indiana, South Carolina, Georgia, and Alabama. Most of these laws require that law enforcement agencies check immigration status during any lawful stop or arrest. With the exception of Utah, they require employers to use E-Verify. Arizona's 2007 Legal Arizona Workers Act (LAWA), which required employers to use E-Verify, appears to have led to a significant decline in the number of Hispanic immigrants likely to be unauthorized living in the state (Bohn, Lofstrom, and Raphael, 2011). There appears to be a shift toward self-employment among those who remained, suggesting that they moved into the underground economy (Bohn, Lofstrom, and Raphael, 2012). More broadly, state-level requirements that employers use E-Verify appear to reduce the likelihood of employment among Hispanic immigrants likely to be unauthorized immigrants. The wage impact among low-education Hispanic immigrants who remain employed appears to be positive, suggesting that the decline in labor supply is larger than any decline in labor demand (Amuedo-Dorantes and Bansak, 2012).

A few states have enacted laws in support of immigrants, including unauthorized immigrants. Utah, while cracking down on unauthorized immigrants in the state, simultaneously sought a federal waiver to allow it to grant guest-worker status to employed unauthorized immigrants. Twelve states allow some or all unauthorized immigrants to pay in-state tuition at public colleges and universities (NCSL, 2011), and California now offers state-funded financial aid to unauthorized immigrants. Research suggests such laws may boost college attendance among men who are likely to be unauthorized immigrants, but they do not appear to affect high school dropout rates among men or women (Chin and Juhn, 2011).

The emerging patchwork of immigration laws across the nation has several important implications. State-level laws like the LAWA are likely to have prompted immigrants to move to different states, not to return to their country of origin. In this way, disparate state laws may funnel immigrants into states with less economic opportunity, exacerbating labor market effects and impeding labor market efficiency. To the extent that immigrants do not leave states that have cracked down on employers who hire them, unauthorized workers may end up working off the books, whether for themselves or someone else, under worse working conditions

and without access to employer-provided benefits. Government coffers meanwhile face reduced revenues from income and payroll taxes and possibly increased costs associated with more poor and uninsured children, not to mention the costs of enforcing the new laws. Migrants are more afraid of the police, making them reluctant to drive lest they be stopped and less likely to report crimes.

From a broader perspective, state immigration laws not only do not achieve their intended goals but also are likely to result in a number of harmful unintended consequences, none of which alleviate natives' concerns about immigration's labor market and fiscal impacts. Federal action or coordination among all the states is needed if the goal is to reduce the unauthorized population.

SUGGESTED REFORMS

The current immigration system is broken. Complicated quotas for different groups of immigrants have resulted in long queues of people waiting to enter or to receive permanent resident status and have deterred countless others from even trying to migrate to the United States. Immigration policy could be used strategically to advance the nation's economic interests but largely is not. The current system prioritizes family reunification over work-based migration, with 86 percent of permanent resident visas going to family- and humanitarian-based immigrants. This focus serves the interests of earlier immigrants and only a small minority of natives. The relatively low levels of work-based immigration allowed are restricted mainly to the highly educated. Workers who lack formal education credentials but have good job prospects in the United States therefore resort to immigrating illegally.

The United States should undertake comprehensive immigration reform aimed at boosting the economic gains from immigration. The current queuing system with its myriad quotas on permanent and temporary migration should be scrapped in favor of an auction-based system that admits work-based migrants on a provisional basis. The government auctions off Treasury securities, offshore oil leases, and the wireless spectrum, so why not permits to hire foreign workers? In such a system, the federal government would regularly auction off permits that allow employers to hire highly skilled, less skilled, or seasonal foreign workers, who would receive visas while working for employers with permits. Visas would be portable to facilitate worker mobility, and employers would be able to resell permits they no longer need. (See Orrenius and Zavodny, 2010, for more details.)

An auction-based system would have a number of advantages. Its emphasis on market forces would allocate visas to the workers most desired by employers, as measured by auction prices, rather than on the basis of how long someone has been in the queue or the random luck of winning a lottery. This emphasis on market forces is better than a point system in which bureaucrats determine how points and hence visas are allocated. Instead of granting permanent resident status from the outset to some migrants while making others wait for decades, the United States should issue provisional work permits and visas with a clear path to permanent residence for immigrants who live and work in the United States for a specified period. This would end the decades-long queues for permanent resident status; everyone who qualified would get it. Auctioning off permits would also act as a tax on foreign labor while generating more government revenue than the current system.

The United States also needs a legalization program, largely because it seems like the least bad way to deal with the 11-million-plus unauthorized population. Looking to the future, minimizing unauthorized inflows will require creating a way for employers to bring in the foreign workers they want. Auctions would do this. Requiring verification of virtually all workers' legal status in an easy, fast, low-cost, and foolproof manner is also necessary.

CONCLUSION

The United States needs an immigration policy that addresses the concerns about immigration's labor market and fiscal impacts. Most of these concerns appear to focus on unauthorized immigrants, who are concentrated at the low-skilled end of the labor market.

Immigration policy must be exercised by the federal government, not via unilateral state actions. After unauthorized immigrants are settled, punitive measures against them tend to be counterproductive. Denying immigrants and their children access to social services is likely to result in worse outcomes in both the short and long run. It is not likely to result in immigrants returning to their home countries.

Federal policy must determine how many and which immigrants are allowed to enter. Making it almost impossible for less-skilled workers to enter legally has led to unprecedented levels of unauthorized immigration and backlashes across the country. Comprehensive immigration reform therefore needs to not just include a legalization plan but also interior enforcement and a way for employers to bring in foreign workers—both high- and low-skilled—legally.

While public attention is focused on unauthorized immigrants, high-skilled immigrants, those with the most to offer the U.S. economy, are put off by restrictive immigration policy. The United States severely limits the number of highly skilled immigrants who can enter and remain in the United States to work despite the growing evidence that they contribute positively to innovation, entrepreneurship, and government revenues. The United States needs comprehensive immigration reform that prioritizes employment-based immigration, particularly of high-skilled workers, which will spur economic growth and bolster international competitiveness.

Unlike the gains from trade, the gains from immigration rely on the willingness of foreign people to move to a different country. As emerging market nations increasingly drive the global economy, the U.S. labor market will lose some of its luster absent fundamental changes, including comprehensive immigration reform. An immigration policy that emphasizes employment and market forces can help attract more human capital, and the time to act is now.

PIA M. ORRENIUS is Assistant Vice President and Senior Economist, Research Department, Federal Reserve Bank of Dallas, 2200 N Pearl Street, Dallas, TX 75201.

MADLINE ZAVODNY is Professor of Economics, Agnes Scott College, 141 East College Avenue, Decatur, GA 30030.

DISCLAIMER

The views expressed here are solely those of the authors and do not reflect those of the Federal Reserve Bank of Dallas or the Federal Reserve System.

REFERENCES

- Amuedo-Dorantes, C., & Bansak, C. (2012). The labor market impact of mandated employment verification systems. *American Economic Review*, 102, 543–548.
- Autor, D. H. (2010). The polarization of job opportunities in the U.S. labor market: Implications for employment and earnings. Washington, DC: Center for American Progress and The Hamilton Project. Retrieved April 6, 2012, from <http://econ-www.mit.edu/files/5554>.
- Bitler, M., & Hoynes, H. (2011). Immigrants, welfare reform, and the U.S. safety net. NBER Working Paper No. 17667. Cambridge, MA: NBER.

- Bodvarsson, O. B., Van den Berg, H. F., & Lewer, J. J. (2008). Measuring immigration's effects on labor demand: A reexamination of the Mariel Boatlift. *Labour Economics*, 15, 560–574.
- Bohn, S., Lofstrom, M., & Raphael, S. (2011). Did the 2007 Legal Arizona Workers Act reduce the state's unauthorized immigrant population? IZA Discussion Paper No. 5682. Bonn, Germany: IZA.
- Bohn, S., Lofstrom, M., & Raphael, S. (2012). Employment effects of Arizona's 2007 legislation against the hiring of unauthorized immigrants. Mimeo. San Francisco: Public Policy Institute of California.
- Borjas, G. (2003). The labor demand curve is downward sloping: Reexamining the impact of immigration on the labor market. *Quarterly Journal of Economics*, 118, 1335–1374.
- Borjas, G. (2006). Native internal migration and the labor market impact of immigration. *Journal of Human Resources*, 41, 221–258.
- Borjas, G., Grogger, J., & Hanson, G. (2006). Immigration and African-American employment opportunities: The response of wages, employment, and incarceration to labor supply shocks. NBER Working Paper No. 12518. Cambridge, MA: NBER.
- Card, D. (1990). The impact of the Mariel Boatlift on the Miami labor market. *Industrial and Labor Relations Review*, 43, 245–257.
- Card, D. (2001). Immigrant inflows, native outflows, and the local market impacts of higher immigration. *Journal of Labor Economics*, 19, 22–64.
- Card, D. (2005). Is the new immigration really so bad? *Economic Journal*, 115, 300–323.
- Card, D. (2009). Immigration and inequality. *American Economic Review*, 99, 1–21.
- Chin, A., & Juhn, C. (2011). Does reducing college costs improve educational outcomes for undocumented immigrants? Evidence from state laws permitting undocumented immigrants to pay in-state tuition at state colleges and universities. In D. L. Leal and S. J. Trejo (Eds.), *Latinos and the economy: Integration and impact in schools, labor markets, and beyond* (pp. 63–94). New York: Springer.
- Cortes, P. (2008). The effect of low-skilled immigration on U.S. prices: Evidence from CPI data. *Journal of Political Economy*, 116, 381–422.
- Cortes, P., & Tessada, J. (2011). Low-skilled immigration and the labor supply of highly skilled women. *American Economic Journal: Applied Economics*, 3, 88–123.
- Fix, M., & Passel, J. (1999). Trends in noncitizens' and citizens' use of public benefits following welfare reform: 1994–1997. Washington, DC: The Urban Institute.
- Fix, M., Capps, R., & Kaushal, N. (2009). Immigrants and welfare: Overview. In M. Fix (Ed.), *Immigrants and welfare: The impact of welfare reform on America's newcomers* (pp. 1–36). New York: Russell Sage Foundation.
- Gallup. (2011). Americans' views on immigration holding steady. Washington, DC: Author. Retrieved March 5, 2012, from <http://www.gallup.com/poll/148154/printeamericans-views-immigration-holding-steady.aspx>.
- Kaestner, R., & Kaushal, N. (2005). Immigrant and native responses to welfare reform. *Journal of Population Economics*, 18, 69–92.
- Kalil, A., & Crosby, D. A. (2009). Welfare-leaving, child health and behavior in immigrant and native families. In M. Fix (Ed.), *Immigrants and welfare: The impact of welfare reform on America's newcomers* (pp. 193–228). New York: Russell Sage Foundation.
- Lewis, E. (2011). Immigration, skill mix, and capital-skill complementarity. *Quarterly Journal of Economics*, 126, 1029–1069.
- Massey, D. (2008). *New faces in new places: The changing geography of American immigration*. New York: Russell Sage Foundation.
- Mazzolari, F., & Neumark, D. (2009). Immigration and product diversity. NBER Working Paper No. 14900. Cambridge, MA: NBER.
- National Conference of State Legislatures. (2011). In-state tuition and unauthorized immigrant students. Washington, DC: Author. Retrieved March 7, 2012, from <http://www.ncsl.org/issues-research/immig/in-state-tuition-and-unauthorized-immigrants.aspx>.

- National Conference of State Legislatures. (2012). 2011 immigration-related laws and resolutions in the states. Washington, DC: Author. Retrieved March 1, 2012, from <http://www.ncsl.org/issues-research/immig/state-immigration-legislation-report-dec-2011.aspx>.
- Orrenius, P. M., & Zavodny, M. (2003). Do amnesty programs reduce undocumented immigration? Evidence from IRCA. *Demography*, 40, 437–450.
- Orrenius, P. M., & Zavodny, M. (2007). Does immigration affect wages? A look at occupation-level evidence. *Labour Economics*, 14, 757–773.
- Orrenius, P. M., & Zavodny, M. (2009). The effects of tougher enforcement on the job prospects of recent Latin American immigrants. *Journal of Policy Analysis and Management*, 28, 239–257.
- Orrenius, P. M., & Zavodny, M. (2010). *Beside the golden door: U.S. immigration reform in a new era of globalization*. Washington, DC: AEI Press.
- Ottaviano, G., & Peri, G. (2012). Rethinking the effect of immigration on wages. *Journal of the European Economic Association*, 10, 152–197.
- Passel, J. S., & Cohn, D. (2011). *Unauthorized immigrant population: National and state trends, 2010*. Washington, DC: Pew Hispanic Center.
- Peri, G., & Sparber, C. (2009). Task specialization, immigration, and wages. *American Economic Journal: Applied Economics*, 1, 135–169.
- Smith, C. (2012). The impact of low-skilled immigration on the youth labor market. *Journal of Labor Economics*, 30, 55–89.
- Smith, J., & Edmonston, B. (1997). *The new Americans: Economic, demographic, and fiscal effects of immigration*. Washington, DC: National Academy Press.
- Warren, R., & Passel, J. S. (1987). The count of the uncountable: Estimates of undocumented aliens counted in the 1980 United States census. *Demography*, 24, 375–393.
- Watson, T. (2010). *Inside the refrigerator: Immigration enforcement and chilling effects in Medicaid participation*. NBER Working Paper No. 16278. Cambridge, MA: NBER.

THE ELUSIVE GOAL: THE QUEST FOR A CREDIBLE IMMIGRATION POLICY

Vernon M. Briggs, Jr.

PRESSURE FOR REFORM: OVER THE LONG RUN

For more than 30 years the United States has unsuccessfully struggled to reform its often maligned and massively abused immigration policies. Matters went awry following the passage of the Immigration Act of 1965. There were unexpected consequences. Intended to remove the overtly discriminatory features of the “national origins” admissions system in place since the 1920s, the legislation inadvertently ushered in the return of the phenomenon of mass immigration. Neither political party nor any of the advocates for reform in 1965 in either the Johnson administration or Congress sought such an objective. Indeed, they specifically assured the public that such an outcome was not being sought and promised that it would not happen (Briggs, 2003, pp. 124–130). But it did. Like the proverbial genie in the jug, the change creating forces of mass immigration were once again released on an