Immigration: Shaping and Reshaping America

by Philip Martin and Elizabeth Midgley
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Elizabeth Midgley is a long-time observer and analyst of U.S. immigration trends and policy formation, starting with her coverage of immigration issues as a producer for CBS News from 1970 to 1988, and during her tenure as a trustee of the German Marshall Fund of the United States.

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Millions of foreigners enter the United States each day. Most are not immigrants planning to settle permanently. The vast majority are tourists, business people, students, and temporary workers from other countries who are here for a few days, weeks, or months. But about 2,600 daily become legal U.S. residents, and another 1,400 are added to the population of unauthorized foreigners.

The recent waves of immigrants have brought greater diversity to the U.S. population: While Europe was the source of most immigrants throughout our history, most immigrants now come from Latin America and Asia. Illegal immigration began rising in the 1970s, and it continues to be a high-profile issue. The flow of illegals was topic of the first major immigration issue debated in Congress in the 21st century.

Is the arrival of so many foreigners from so many different countries to be welcomed or feared? There is no single answer, which helps to explain why Americans are ambivalent about immigration. The United States has always celebrated its immigrant heritage, and American leaders often recount the story of renewal and rebirth brought by newcomers from abroad. At the same time, Americans have always worried about the economic, political, and cultural changes caused by immigration.

Since the Sept. 11, 2001 terrorist attacks inside the United States, a new worry has surfaced—the fear that some foreigners may enter the country to harm large numbers of Americans. The United States today is grappling with finding the right balance between welcoming foreigners and protecting Americans.

Immigration and integration are much-debated issues, often framed by extreme positions that advocate severe limits on foreigners entering the United States or that favor removing most restrictions. The Federation for American Immigration Reform (FAIR), for example, charges that large-scale immigration contributes to excessive population growth and environmental degradation, displaces low-skilled American workers and depresses their wages, and threatens the cultural bonds that hold Americans together. Consequently, FAIR calls for a sharp reduction in immigration—to perhaps 150,000 a year—and argues that an “immigration time out” would have the added benefit of allowing recent arrivals and Americans time to adjust to one another.

Other groups, such as the Cato Institute, offer an alternative perspective, often articulated on the editorial pages of The Wall Street Journal. They propose removing many of the limits on immigrants and instituting a foreign-worker program. More people mean more workers and more consumers and an expanding economy. From this pro-business perspective, the benefits of having immigrant workers offset any costs, including lower wages for workers who compete with newcomers. Other groups value immigrants for injecting a new entrepreneurial spirit into the U.S. economy. Some groups, such as the American Immigration Law Foundation, are concerned with protecting the rights of foreigners in the United States, while the Catholic Church and some other religious groups oppose immigration controls because they believe that national borders artificially divide humanity. Finally, groups such as the Organization of Chinese Americans and the Irish Lobby for Immigration Reform favor more immigration from particular countries or regions.

Whether immigrants are viewed as an asset or threat, United States acknowledges its history as nation of immigrants. U.S. presidents frequently remind Americans that, except for Native Americans, they or their forebears left another country to begin anew in the “land of opportunity,” suggesting that immigration allows individuals to better their lives and at the same time strengthens the United States. Yet immigration also brings many changes that raise fundamental questions for Americans. Who are we? What kind of a society have we built, and whom shall we welcome to it? What should we do to encourage the integration of newcomers? How should we deal with those who arrive uninvited?

This Population Bulletin examines current immigration patterns and policies in the United States, reviews the peaks and troughs of immigration flows, and provides an historical perspective on contemporary migration. U.S. immigration policy has and will continue to change in response to immigration flows and their
Impacts on Americans. To resolve the fundamental economic, social, and political issues raised by immigration, we must weigh the choices or tradeoffs between widely shared but competing goals in American society.

Immigration Patterns and Policies

Between 1990 and 2005, 14.5 million immigrants were accepted as permanent legal U.S. residents, an average of almost a million a year. The annual number of legal immigrants has been increasing since the 1950s, and the regions sending migrants have shifted from Europe to Latin America and Asia. Immigrants from Latin America and Asia have accounted for three-fourths of U.S. immigrants since the 1980s (see Figure 1).

Most immigrants who become legal permanent residents in a particular year already live in the United States under some other legal status. In fiscal year 2005 (FY05), for example, two-thirds of new permanent residents had adjusted their status from student, temporary worker, refugee, or some other category to permanent legal resident.

Foreigners enter the United States through a front door for immigrants, a side door for legal temporary migrants, and a back door for the unauthorized. There are four major types of front-door immigrants: family-sponsored, employment-based, refugees and asylees, and diversity immigrants.

About 65 percent of legal permanent immigrants are family-sponsored, which means that family members in the United States petitioned the U.S. government to admit their relatives. There are two broad subcategories of family-sponsored immigrants: immediate relatives of U.S. citizens and other relatives (see Table 1). There are no limits on the number of immigrant visas available for immediate relatives of U.S. citizens. In FY05 some 437,000 visas were granted to spouses, parents, and children of U.S. citizens. But there is a cap on the number of immigrant visas available to relatives of U.S. permanent residents and a cap on the number of more distant relatives of U.S. citizens: In FY05, 213,000 visas were granted in these categories. Because the number of applicants each year far outnumbers the number available under the caps, the wait for processing a visa may be several years, especially for relatives outside the immediate family. For some “oversubscribed” countries, such as India, Mexico, and the Philippines, even close relatives of permanent immigrants may wait at least 10 years for a visa, and more distant relatives, including adult brothers and sisters, might have a 20-year wait. Many foreigners do not wait for immigrant visas to join family members. Instead, they arrive with visitor visas and overstay or cross the border illegally, and may be able to stay until they can become legal. Thus a part of the unauthorized foreign population consists of relatives of U.S. residents who may eventually become immigrants.

The second-largest group of front-door immigrants consists of foreigners and their family members who were given visas at the request of U.S. employers. Some 247,000 people gained residency under these employment-based categories in FY05, accounting for about 22 percent of the new legal permanent residents that year. Most of these workers qualify for visas only after the U.S. Department of Labor has certified that a U.S. national is not available to fill a specific job. Employment-based immigrants include priority workers with “extraordinary ability” in the arts or sciences or multinational executives, skilled and unskilled workers, and such special categories as athletes, ministers, and investors. More than 85 percent of employment-based visas go to foreigners already in the United States, including many already employed as temporary workers by their sponsoring employer.

The third group of front-door immigrants consists of refugees and asylees. Refugees are foreigners who have escaped persecution in their home countries and are being resettled in the United States. Asylees are for-

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Figure 1
Annual Number of Legal U.S. Immigrants by Region of Origin, 1960 to 2005

<table>
<thead>
<tr>
<th>Year Period</th>
<th>Latin America and Caribbean</th>
<th>Asia</th>
<th>Europe and Canada</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960–69</td>
<td>365,000</td>
<td>10%</td>
<td>43%</td>
<td>34%</td>
</tr>
<tr>
<td>1970–79</td>
<td>443,000</td>
<td>32%</td>
<td>37%</td>
<td>23%</td>
</tr>
<tr>
<td>1980–89</td>
<td>640,000</td>
<td>29%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>1990–99</td>
<td>997,000</td>
<td>11%</td>
<td>18%</td>
<td>6%</td>
</tr>
<tr>
<td>2000–05</td>
<td>982,000</td>
<td>11%</td>
<td>18%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Percentages may not add to 100 because of rounding. The annual numbers are averages for each period.

eigners who came directly to the United States to avoid persecution and then applied for asylum (see Box 1).

The fourth front-door group is diversity immigrants, a category created in 1990 to ensure some immigration from countries that send relatively few migrants to the United States. People from countries on the diversity list who meet minimum educational and employment qualifications can enter an annual lottery for one of 50,000 slots. Up to 10 million people from such diversity countries as Bulgaria, Ethiopia, Iran, Ireland, and Saudi Arabia have entered the annual diversity lottery.5

Temporary Foreign Residents

The United States is eager to attract most types of temporary legal foreigners, especially tourists. Arrivals of temporary foreign residents increased in the 1990s, peaking at 34 million in FY00, before falling after the Sept. 11, 2001 terrorist attacks. Most of the recent decline was in tourist and business visitors, but there were changes in two categories of special interest: foreign students and foreign workers.

The number of foreign students admitted to the United States doubled between 1990 and 2000. The traditional reasons for studying abroad are to enrich the experience of both the U.S. and foreign students and,

Table 1

Foreigners Entering the United States or Gaining Residency Status, 2003–2005, by Selected Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Numbers in thousands</th>
<th>Annual average, 2003–2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal immigrants</td>
<td>706</td>
<td>946</td>
</tr>
<tr>
<td>New arrivals</td>
<td>374</td>
<td>358</td>
</tr>
<tr>
<td>Adjustment of statusa</td>
<td>584</td>
<td>347</td>
</tr>
<tr>
<td>Immediate relatives of U.S. citizens</td>
<td>333</td>
<td>418</td>
</tr>
<tr>
<td>Other family-sponsored immigrants</td>
<td>159</td>
<td>214</td>
</tr>
<tr>
<td>Employment-based</td>
<td>82</td>
<td>155</td>
</tr>
<tr>
<td>Refugees and asylees</td>
<td>45</td>
<td>71</td>
</tr>
<tr>
<td>Diversity immigrants</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td>Legal temporary migrants</td>
<td>27,849</td>
<td>30,781</td>
</tr>
<tr>
<td>Visitors for pleasure/business</td>
<td>20,143</td>
<td>22,803</td>
</tr>
<tr>
<td>Foreign students and families</td>
<td>625</td>
<td>620</td>
</tr>
<tr>
<td>Temporary foreign workers</td>
<td>650</td>
<td>684</td>
</tr>
<tr>
<td>Unauthorized foreigners (estimate)</td>
<td>525</td>
<td>525</td>
</tr>
</tbody>
</table>

aIncludes people already in the United States legally who gained legal permanent resident status in that year.

bExcludes about 150 million admissions annually of certain Canadian tourists and business visitors exempt from visas, along with Mexicans with multiple-entry visas or border crossing cards. These numbers refer to admissions rather than people, which means that many foreigners are counted more than once.


Box 1

Legal Status of Foreigners Living in the United States

All persons in the United States are either U.S. citizens or aliens, persons who are citizens of another country. There are four major types of aliens: immigrants, refugees, temporary legal migrants, and unauthorized foreigners.

Legal Immigrants are citizens of other countries who have been granted a visa that allows them to live and work permanently in the United States and, generally after five years, to become naturalized U.S. citizens. Immigrant visas are now credit-card type documents, but they used to be printed on green paper, and legal immigrants are still referred to as “greencard holders.” Over 1.1 million immigrants (including refugees) were admitted in FY05, up from 950,000 in FY04.

Refugees and asylees are persons allowed to stay in the United States because of fear persecution at home because of race, religion, nationality, membership in a particular social group, or political opinion. Refugees are resettled in the United States from abroad, often after leaving their countries and waiting in a third country until they are admitted to the United States to begin life anew. The numbers fluctuate according to events abroad and changes in U.S. laws.

Asylees or asylum applicants are foreigners who arrive in the United States and request refugee status. Refugees and asylees may become legal permanent residents after a year in the United States.

Temporary legal migrants are foreigners in the United States for a specific purpose, such as visiting, working, or studying. Some 32 million temporary legal migrants were admitted in FY05. Almost 90 percent were temporary visitors for pleasure (tourists) or business visitors. These counts of arrivals do not include Mexicans with border crossing cards that allow shopping visits and Canadian visitors. Temporary migrants who enter and leave the United States several times are counted each time they enter.

The United States has 25 types of nonimmigrant visas, such as A1 visas for foreign government officials, B-visas for business visitors and tourists, F-visas for foreign students, H-visas for foreign workers, O- and P-visas for foreign athletes and entertainers, and TN visas for Canadians and Mexicans entering the United States to work under NAFTA’s migration provisions. Visitors who are nationals of specific countries such as Canada and the UK are not required to have entry visas, however, most are included in the counts of arrivals. In 2006, there were 27 such visa-waiver countries.

Unauthorized, undocumented, or illegal migrants are foreigners in the United States without valid visas. An estimated 11 million unauthorized foreigners were living in the United States in March 2005, including 6 million unauthorized Mexicans. The number of unauthorized foreigners has been rising by about 25,000 a year. Illegal migration is the subject of the first major immigration debate of the 21st century.

References

for students who will return to developing countries after gaining U.S. experience and skills, to accelerate development in countries of origin. But the receiving country economies are also affected. U.S. schools and universities depend on the tuition and fees paid by foreign students. The International Institute for Education (IIE) estimates that foreign students contribute about $13.3 billion to the U.S. economy while they live and study here. About two-thirds of foreign students are supported by their families or personal funds from their home countries. In addition, many U.S. employers benefit by finding skilled employees among the foreign graduates.

Foreign student admissions doubled between 1990 and 2000, enabled by rising incomes abroad, especially in Asia, and attracted by U.S. universities seeking fee-paying students. After the Sept. 11, 2001 terrorist attacks, foreign student admissions fell, especially from the Middle East and in some scientific fields. Some were warned away by fears of anti-foreigner prejudice and the increased scrutiny required under new laws meant to keep out terrorists. Before Sept. 11, 2001, more than 70,000 U.S. institutions, from beauty academies to aviation schools, were allowed to admit foreign students. Foreigners could enter the United States as students and never enroll, or enter as a tourist and then apply for a student visa. Since 2003, U.S. schools and universities must enter information about their foreign students in the Student and Exchange Visitor Information System (SEVIS), a database that aims to certify that the foreigners are in fact studying in the United States. According to the Immigration and Customs Enforcement (ICE) in 2006, there are 750,000 foreign students and exchange visitors in the United States. SEVIS generates 1,000 notifications a week of apparent violations of student status. In 2005, about 600 foreign students were removed from for more serious violations.

Most foreign students are here to attend college. The Institute of International Education (IIE)’s Open Doors report estimated that there were 565,000 foreign students enrolled in U.S. colleges and universities in Fall 2005. Almost 60 percent were from Asian countries, led by India, China, Korea, and Japan. The University of Southern California had the most foreign students, followed by the University of Illinois at Urbana-Champaign and the University of Texas at Austin.

Some educators and industry leaders have expressed concern about the decline in the number of foreigners applying to U.S. graduate programs in science and engineering. Even with recent declines, foreigners make up a majority of graduate students in science, math, and engineering. The National Science Board warned in a 2003 report that the United States risks losing its ability to compete in the global economy unless it persuades more Americans to study science and engineering or allows more foreign science and engineering graduates to stay in the United States and work. Others analysts argue that there is no shortage of science and engineering students, and that cries of shortage are an effort to maintain academic departments that are no longer attractive to U.S. students and to fill academic jobs at low wages.

Many foreign university students can get a visa to work for a U.S. employer after they graduate. Members of this large pool of temporary foreign workers are expected to leave the United States after several weeks, months or years, and most do. However, some temporary workers, including those with H-1B visas—which go to foreigners who fill jobs requiring college degrees—are permitted to stay in the United States if they can find a U.S. employer to sponsor them for legal residency, and the U.S. Department of Labor agrees that the foreigner is uniquely qualified to fill his or her job. H-1B visa holders can remain in the United States for up to six years, and many eventually settle here.

The number of H-1B admissions doubled during the 1990s, and then almost doubled again to just less than 400,000 in FY04. Most H-1B visa holders are from India and China, and most come to the United States to work in computer-related occupations. There was an annual cap of 65,000 H-1B visas a year but during the boom in the high-tech industry, Congress raised the limit several times, eventually to 195,000 a year. Congress also exempted the H-1B guest workers employed by nonprofit organizations such as universities from the cap. Pressure from the computer industry led Congress in 2005 to exempt from the cap up to 20,000 foreign students a year who earn masters and doctorates from U.S. universities.

Should the U.S. immigration service “staple a green card” to the diplomas of foreigners who graduate from U.S. universities with science and engineering degrees, as Intel chairman Craig Barrett proposes, or does the availability of H-1B foreign workers hold down wages for U.S. workers and discourage Americans from studying and working in science and engineering? Advocates of more H-1B visas say that the U.S. employers must have easy access to the world’s best and brightest workers to remain competitive. Microsoft Chairman Bill Gates, among others, argues that the cap on the number of H-1B visas should be eliminated. Critics counter that there is no shortage of U.S. computer professionals, only a shortage of U.S. workers willing to work long hours for low wages in the fast-changing computer industry.
industry. Instead of making it easier for foreign students to stay and work, critics say that the U.S. government should encourage employers to restructure salaries and incentives so that Americans find it worthwhile to go into science and engineering.

Unauthorized Foreigners

Just over one-half of the unauthorized entered the United States without inspection, meaning they evaded border controls, while 40 percent entered legally but stayed too long or otherwise violated their visa.

The Department of Homeland Security (DHS) is responsible for preventing unauthorized foreigners from entering the United States and finding and removing those illegally inside the United States. DHS’ Customs and Border Protection agency includes the Border Patrol, which had about 12,000 agents in 2006 to discourage foreigners from attempting to enter the United States between designated ports of entry. Border Patrol agents apprehended about 1.2 million foreigners in FY05, and 90 percent were Mexicans caught just inside the Mexico-U.S. border.\(^{13}\)

Almost all Mexicans apprehended volunteer to return to Mexico. (Those suspected of being smugglers are held for prosecution). Mexicans who do not return to Mexico, and—the 155,000 “other than Mexicans” (OTMs) apprehended—have the right to go before an immigration judge and explain why they should not be removed from the country. In most cases, OTMs are released because there is not enough space to detain them, and most do not appear in as scheduled in immigration court. President Bush and Congress in 2006 vowed to turn this so-called “catch-and-release” policy into a “catch-and-detain” policy by adding beds in detention camps. It is not yet clear whether this policy change is deterring illegal entries.

DHS’ Immigration and Customs Enforcement (ICE) agency enforces immigration laws inside the United States, which includes locating and removing foreigners who have been ordered deported and enforcing legal sanctions against employers who hire unauthorized aliens. Deportation or removal means that an immigration judge orders a foreigner out of the United States, and ICE removes him or her. In FY04, almost 203,000 foreigners (44 percent of whom were foreigners convicted of U.S. crimes) were formally removed; three-quarters were Mexican.\(^{14}\) ICE, according to the Government Accountability Office, has made worksite enforcement a “low priority,” devoting less than 5 percent of its budget to discouraging the employment of unauthorized foreigners.\(^{15}\) There were 65 ICE agents focused on work site enforcement in FY04, and they cited only three of 8 million U.S. employers for violating laws against employing unauthorized foreigners. As Congress began to debate immigration reform in 2006, worksite enforcement increased.

Foreign-Born Residents

There were 37 million foreign-born U.S. residents in 2005, including 31 percent naturalized U.S. citizens, 39 percent legal immigrants and legal temporary migrants such as foreign students and legal temporary workers, and 30 percent were unauthorized residents (see Figure 2). These foreign-born residents make up about 12 percent of the U.S. population, and the share is growing. Because they tend to be concentrated in specific cities and states, and in specific industries—immigrants are a visible part of the American landscape. Immigrants actually accounted for a greater total percentage of the U.S. population in the early 1900s, but there have never been as many foreign-born residents as there are today. Opinions are divided about whether they are good or bad for the economy and society, and whether we should limit the numbers entering.

Public Opinion

Americans have long worried about the changes associated with immigration; Public opinion surveys conducted between 1965 and 1993 consistently showed that a majority of Americans wanted both legal and illegal immigration reduced, while fewer than 10 percent of those surveyed agree that immigration should be increased.\(^{16}\) There is a difference between elite and mass opinion. Support for immigration rises with income

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**Figure 2**

Status of Foreign-Born U.S. Residents, 2005

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unauthorized</td>
<td>11.1 million</td>
<td>30%</td>
</tr>
<tr>
<td>Naturalized U.S. citizens</td>
<td>11.5 million</td>
<td>31%</td>
</tr>
<tr>
<td>Legal foreign residents</td>
<td>14.4 million</td>
<td>39%</td>
</tr>
</tbody>
</table>

and education. For example, in one poll 55 percent of the public said legal immigration should be reduced, compared to 18 percent of opinion leaders.\textsuperscript{17}

Public opinion often changes with economic circumstances. During the late 1990s, when the economy was expanding and unemployment rates were low, public opinion became less restrictionist. A 1997 poll, for example, found that fewer than 50 percent of Americans wanted immigration reduced or stopped. Still, 63 percent were concerned about immigrants taking jobs from Americans or causing racial conflict, and 79 percent feared that immigrants were overburdening the welfare system and pushing up taxes.\textsuperscript{18}

Fears of terrorism and a weakening economy made Americans more restrictionist in the early years of the 21st century. An opinion poll taken just after the Sept. 2001 attack on the Twin Towers reported that 65 percent of Americans favored stopping all immigration during the war on terror.\textsuperscript{19} However, a Los Angeles Times article noted that “the most significant development in the national immigration debate is what hasn’t happened: No lawmaker of influence has moved to reverse the country’s generous immigration policy, which for more than three decades has facilitated the largest sustained wave of immigration in U.S. history.”\textsuperscript{20} The reason is that most Americans agreed with INS Commissioner James W. Ziglar, who said repeatedly: “These weren’t immigrants. They were terrorists.”\textsuperscript{21}

More recent polls reflect concern about illegal migration. A December 2005 Washington Post-ABC News poll reported that 80 percent of Americans think the federal government should do more to reduce illegal immigration, and 56 percent agree that unauthorized migrants hurt the United States more than they help it.\textsuperscript{22} A March 2006 Pew Research Center Poll found that 53 percent of Americans want illegal foreigners removed, while 40 percent think they should be allowed to stay.\textsuperscript{23} An April 2006 Los Angeles Times poll found that 63 percent of Americans favored stepped-up enforcement as well as a guest worker program to deal with illegal migration, while 30 percent favored stepped-up enforcement only.\textsuperscript{24}

Many politicians and researchers dismiss public concerns about immigration by pointing out that, throughout U.S. history, fears that the United States would be damaged by accepting too many and the wrong kinds of immigrants proved to be unfounded.\textsuperscript{25} Benjamin Franklin, for example, worried that German immigrants arriving in the late 1700s could not be assimilated. Why, he asked, should “Pennsylvania, founded by the English, become a colony of aliens, who will shortly be so numerous as to Germanize us, instead of our Angli-

fying them?”\textsuperscript{26} Less than two centuries later, a descendant of these immigrants, Dwight Eisenhower, was elected president of the United States. Immigrants who adopted U.S. citizenship have been entrusted with high-level public offices, from Henry Kissinger to Arnold Schwarzenegger.

Advocates of reducing immigration usually emphasize that

- Immigration adds to population growth and environmental problems;
- Immigrants can depress the wages and working conditions of U.S. workers;
- Immigration can reduce the incentives for U.S. businesses to modernize; and
- “Too many” Spanish-speaking immigrants can hold back the integration of immigrants and undermine American values.

Public attitudes toward immigration and questions about the social and economic impacts of immigrants are linked. The fortunes of immigrants, and their effects on the economy, the political system, schools, and society shape public opinion on additional immigration, especially from Mexico.

**Four Waves of Immigration**

The Old World arrived in the New in three distinct ways: colonization, coercion and immigration. In the 16th and 17th centuries, English colonists established the framework of the society that became the United States. They built communities at Jamestown and Plymouth, seized control from the Dutch in New York, and overran various French and Spanish settlements. English became the public language and England’s common law the model for the U.S. legal system.

Two types of coercion also contributed to the peopling of America: the importation of African slaves (who were 19 percent of the U.S. population in 1790), and the incorporation of Native American, Spanish, and French populations as the United States expanded westward. The Louisiana Purchase of 1803 turned the French settlers into Americans, and Mexicans living in California, New Mexico and Texas became Americans in 1848, when Mexico ceded territory to the United States. After the 1898 Spanish-American War, the United States acquired Puerto Rico. Puerto Ricans became U.S. citizens in 1917.

The third and largest source of new Americans was immigration. In 1789, after the former British colonies had become the United States, the word “immigrant”
emerged to mean a person who moves voluntarily from one established country to another. Immigrants and their descendants, plus colonials, slaves, and Native Americans and their descendants, are the American people of today.

The flow of immigrants has fluctuated with economic conditions in the United States and abroad as well as in response to changes in U.S. immigration policies. A line charting the number of immigrants has four peaks, denoting four major waves of immigration, as shown in Figure 3.

The first wave of immigrants, mostly English, arrived before entries began to be recorded in 1820. A mixture of religious, political, and economic factors motivated the migration of the English, Scots and Irish, Germans and other Europeans. German sectarians sought religious freedom in Pennsylvania; Spaniards looked for Christian converts in Florida and the southwest; and Puritans in Massachusetts sought to establish a community restricted to members of their faith. Religious freedom was made possible by political and economic freedom: there were no overlords and there was a chance to prosper in a new land.

These early immigrants took big risks to cross the Atlantic. Starvation, disease, and shipwreck probably killed more than 10 percent of those who set sail for America, and historians estimate that more immigrants than slaves died en route to the New World, reflecting the fact that the death of a slave was a business loss for the slave owners. The cost of one-way travel was equivalent to four to six years of a laborer’s wages in England. Many immigrants could not pay for their passage, so they indentured themselves, which means they were legally bound to work for as long as five years for the employer who met the ship and paid the captain for their passage. A third of immigrants arriving in 1776 had become indentured to secure passage.

The second wave of immigrants, who arrived between 1820 and 1860, fit well with American eagerness for people to help push back the frontier. Peasants displaced from agriculture and artisans made jobless by the industrial revolution were desperate to escape from Europe. New arrivals sent what came to be called “American letters” back to Europe, encouraging friends and relatives to join them in the land of opportunity. Steamship and railroad companies sent agents around Europe recruiting customers to fill their ships and trains.

Between 1820 and 1840, more than 750,000 German, British, and Irish immigrants arrived; another 4.3 million came from those countries during the next 20 years (see Figure 3). About 40 percent of these second-wave immigrants were from Ireland, escaping poverty and famine. Roman Catholics predominated in the second wave, and by 1850 the Roman Catholic Church had the largest denomination in the United States, though Protestants of various religions outnumbered Catholics.

There was little immigration during reconstruction after the Civil War. The third wave of immigrants started in 1880, when almost 460,000 arrived, and ended with the outbreak of war in Europe in 1914, the same year that 1.2 million immigrants entered. During the third wave, over 20 million southern and eastern European immigrants arrived. Most moved to cities in the eastern and Midwestern states; over half of the workers in New York, Chicago, and Detroit were immigrants in 1910. Several hundred thousand Chinese, Japanese, and other Asian laborers settled in the western states, most beginning their American journeys as farm workers.

The shift in national origins can be seen by comparing the homelands of the immigrants who entered during two peak immigration years: 1882 and 1907. Of those arriving in 1882, 87 percent came from northern and western Europe, and 13 percent came from southern and eastern Europe. In 1907, only 19 percent of immigrants were from northern and western Europe and 81 percent were from southern and eastern Europe. The immigrants who arrived in 1907 also included the
first large numbers of people of Jewish and Eastern Orthodox religions.

There was an immigration pause for the half century between 1915 and 1964. Immigration fell sharply when World War I broke out in Europe, and stayed low during the war. When immigrants began to arrive again in the 1920s, their entry was curtailed by the introduction of numerical limits, or “quotas” on the number of immigrant visas available. The economic depression of the 1930s discouraged immigration, and the United States did not relax its refugee policies despite Hitler’s threats to Jews in Nazi Germany. After World War II, the United States admitted almost 600,000 Europeans who had been displaced by the war.

During the 1940s and 1950s, immigration from Mexico and other Western Hemisphere nations became increasingly important. During the 1940s, the United States accepted a million immigrants; almost three times more came from Canada (172,000) than from Mexico (60,000). Many Mexicans moved to the United States illegally and, in the notorious 1954 “Operation Wetback,” more than a million were returned, including some children who were U.S.-born and thus U.S. citizens.

Fourth-wave immigrants began arriving in the United States after 1965, when the preference system changed. Instead of giving priority to immigrants from Western Europe, the new system favored people whose U.S. relatives would sponsor them and those with skills in demand by U.S. employers. These changes in U.S. priorities, as well as prosperity in Europe and strong ties to Mexico established during the Bracero program (see

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Box 2

**Mexico-U.S. Migration and NAFTA**

About 30 percent of U.S. legal immigrants, and half of the unauthorized foreigners, are from Mexico. How did Mexico wind up as the major source of U.S. immigrants?

Ties to Mexico date back to the 1800s, when what is now the southwestern United States was part of Mexico. But there was little population movement across the border until the 20th century.

Early in the 20th century, when Mexico was undergoing a civil war, the U.S. government approved the recruitment of Mexican workers to come to the United States as guest workers. These so-called Braceros were young Mexican men admitted legally between 1917 and 1921, and again between 1942 and 1964.

Both Bracero programs began when Americans were going overseas to fight world wars and U.S. farmers said that they faced a shortage of labor. Both programs expanded larger and lasted longer than expected because of distortion and dependence. Distortion reflects the assumptions of U.S. farmers that Braceros would continue to be available, so they planted crops and assumed that workers would be available to harvest them, enabling California to replace New Jersey as the garden state of the United States.

Farmers had an economic incentive to maintain the Bracero program to keep farm wages low and land prices high, and they strongly resisted efforts by unions and churches to stop the influx of Mexican workers. However, Congress was convinced that Braceros held down workers’ wages and ended the program despite farmers’ pleas.

The end of the Bracero program encouraged higher wages but also mechanization in U.S. agriculture. Cesar Chavez and the United Farm Workers union were able to win 40-percent wage increases for grape harvesters in 1965 when Bracero workers were not available. Tomato acreage expanded as a uniformly ripening tomato was developed and machines were produced that could cut the plants and shake off the ripe tomatoes. California today produces five times as many tomatoes, and three times as many strawberries, as it did in the early 1960s.

Re-adjusting the U.S. labor market after several decades of dependence on Bracero workers was not easy, nor was it easy for Mexicans to adjust to the loss of U.S. jobs and wages. Bracero program rules had required U.S. farmers to pay for worker transportation from the border, and many Mexicans moved there to increase their chances of being selected. When the Bracero program ended, there were thousands of Braceros and their families in Mexican border cities with no job prospects.

The Mexican and U.S. governments modified their trade laws to allow the creation of maquiladoras, factories in Mexico that import components, hire Mexican workers to assemble them into goods such as TVs, and re-export the finished products to the United States. The maquiladoras never provided many jobs for ex-Braceros, who were men, because they hired mostly young women, and as they expanded, they drew more Mexicans to border cities.

Even though many rural Mexicans had become dependent on U.S. jobs, there was relatively little illegal Mexican-U.S. migration during the 1960s and 1970s, the so-called golden era for U.S. farm workers. High population growth rates and economic crisis in the early 1980s led more Mexicans to migrate illegally to the United States. Networks soon linked a growing number of Mexican villages to U.S. workplaces and, with no penalties on U.S. employers who knowingly hired illegal migrants, Mexicans spread throughout U.S. agriculture as well as to construction, manufacturing and services jobs. The Border Patrol handled internal enforcement. Agents would surround a workplace and try to catch those who ran away to evade investigation of their identity, but there was not enough enforcement to prevent the spread of unauthorized workers.

Congress responded to rising illegal migration with the Immigration Reform and Control Act (IRCA) of 1986, which imposed penalties on U.S. employers who knowingly hired unauthorized workers to reduce job opportunities for illegals. The theory was that “closing the labor market door” would discourage Mexicans from attempting illegal entry. IRCA also legalized 2.7 million unauthorized foreigners,
Box 2), shifted the predominant origin of U.S. immigrants from Europe to Latin America and Asia.

There are many similarities between immigration at the beginning of the 20th century and the start of the 21st. The number of immigrants arriving annually—more than 1 million—is about the same, although the foreign-born accounted for more of the U.S. population in 1900 (15 percent) than in 2000 (11 percent). During both periods, the economy was undergoing fundamental restructuring, from services to information at start of the 21st century, and from agriculture to industry in the early years of the 20th. Both waves brought people from countries that had not previously sent large numbers of immigrants, raising questions about language, religion, and culture and prompting a reassessment of immigration policies.

U.S. Immigration Policies

Immigration policies aim to determine how many, from where, and in what status newcomers arrive. U.S. immigration policies have gone through three major phases: laissez-faire, qualitative restrictions, and quantitative restrictions.

Laissez-Faire—1780–1875

During its first hundred years, the United States had a laissez-faire policy toward immigration—no limits. Federal, state, and local governments, private employers, shipping companies and railroads, and churches promoted immigration to the United States. For example, subsidizing railroad construction led to the recruitment of immigrant workers by private railroad companies.

85 percent Mexicans, to “wipe the slate clean” and avoid the need for deportations from the United States. However, there was a fatal flaw in IRCA’s enforcement provisions. Newly hired workers had to show employers documents to prove that they were legally authorized to work in the United States, but employers did not have to verify the documents. Proposals for fraud-proof documentation, either an improved the Social Security card or a new worker identification card, were rejected by Congress. With legalization greatly expanding network links between Mexican workers and U.S. jobs, new arrivals could present false documents and go to work with little risk to the employer or the migrant.

Mexico changed its economic policies in the mid-1980s, shifting from a no-trade, inward-oriented policy that had Mexican factories producing goods for Mexicans, to a freer trade, outward-oriented policy. The aim was to attract foreign investors who would build factories that produced goods for export, as the East Asian tiger economies such as South Korea had done. This new economic policy was buttressed by an international agreement with Canada and the United States in 1994, the North American Free Trade Agreement. NAFTA lowered barriers to trade and investment flows, and Mexican President Salinas said that as a result, Mexican exports would increase and there would be less Mexico-U.S. migration.

NAFTA was hotly debated in the United States, with unions and 1992 presidential candidate Ross Perot asserting that the United States would lose jobs to Mexico; in Perot’s words, there would be a “giant sucking sound” as U.S. jobs went south. NAFTA’s supporters, on the other hand, predicted that freer trade would produce economic and job growth quickly in Mexico, suggesting that illegal migration would soon diminish.

Critics and supporters were both proved wrong. The United States lost some jobs to Mexico, but the 1990s was a time of record-high job growth and record-low U.S. unemployment. As the supporters of NAFTA predicted, the treaty increased foreign investment in Mexico and job growth in the export sector, but that was not sufficient to speed Mexican economic growth and job creation. For example, between 2000 and 2005, economic growth averaged only 2 percent in Mexico, not nearly enough to provide the 850,000 new jobs needed every year to employ new entrants to the labor force. When Mexico in 1995 lost 10 percent of its formal sector jobs, Mexico-U.S. migration increased, and some areas of rural Mexico developed socioeconomic structures that made families and villages ever more dependent on the U.S. labor market.

Mexico-U.S. migration continued at high levels even after economic and job growth improved in Mexico in the late 1990s. The fact that the U.S. Census found more people than expected in 2000, including an estimated 8.4 million mostly-Mexican unauthorized foreigners, prompted new efforts to deal with Mexico-U.S. migration. In 2000, the United States elected George W. Bush, who favored a guest worker program to allow more Mexican workers into the United States. During the spring and summer of 2001, newly elected Mexican President Vicente Fox pressed Bush to endorse what was called the “whole enchilada”— legalization for unauthorized Mexicans in the United States, a new guest-worker program, reducing deaths and violence along the border, and exempting Mexico from immigrant visa ceilings.

No migration agreement was in the works when the Sept. 11, 2001 terrorist attacks stopped the discussions. Legal and illegal Mexico-U.S. migration continued, so that by 2006 an estimated 12 million Mexican-born people resided in the United States. Thus about 11 percent of living persons born in Mexico had moved to the United States. With their U.S. born children, the Mexican-origin population is more than 20 million, explaining why Mexican President Vicente Fox has said that he is the leader of 125 million Mexicans, 105 million in Mexico and 20 million in the United States.

Reference

High tariffs kept out European manufactured goods and thus created a demand for more workers in American factories. The federal government relied on immigrants to staff the army—immigrants were about a third of the regular soldiers in the 1840s, and an even higher proportion of many state militias.  

The Naturalization Act of 1790 established the principle that an immigrant could acquire U.S. citizenship after several years of residence. No fees or admissions tests were imposed on immigrants as they arrived, but beginning in 1820, the federal government required ship captains to report data on the immigrants they brought to the United States. 

Although there were fears that immigrants would alter the culture and customs of the evolving United States, the neat match between Europeans seeking opportunity and an America in need of settlers kept the immigration door wide open until the 1840s. At that time, an influx of Roman Catholics from Ireland and Germany set off the first organized anti-immigrant movement, the “Know Nothings” who formed the American Party. Protestant clergymen, journalists, and other opinion leaders formed the Order of the Star Spangled Banner within the party and urged that immigration from non-Anglo-Saxon countries be reduced. To maintain secrecy, members answered inquiries by saying “I know nothing about it.” The American party won 70 congressional seats in the federal election of 1854, but Congress did not impose restrictions on Catholic immigration. Soon after, the Civil War and slavery replaced immigration as the major political issue of the day.

Qualitative Restrictions—1875–1920
There were popular movements to restrict the immigration of particular groups perceived as threatening. Congress barred the entry of convicts and prostitutes in 1875, and the Immigration Act of 1882 for the first time prohibited immigration from a particular country—China—at the behest of urban workers in California who felt threatened by “unfair competition.” Immigration from China was illegal for most of the next 60 years.  

The growing numbers of immigrants from eastern and southern Europe aroused fear and hostility among the overwhelmingly Protestant and rural American populace. Writing in 1901, Woodrow Wilson, who was later elected president, shared the popular antagonism toward these newcomers:

“Immigrants poured in as before, but ... now there came multitudes of men of lowest class from the south of Italy and men of the meanest sort out of Hungary and Poland, men out of the ranks where there was neither skill nor energy nor any initiative of quick intelligence; and they came in numbers which increased from year to year, as if the countries of the south of Europe were disburdening themselves of the more sordid and hapless elements of their population.”

Congress reacted to these anti-immigrant attitudes with more qualitative restrictions, passing laws to institute literacy tests beginning in 1897. These measures were vetoed by three presidents before Congress overrode President Wilson’s veto in 1917 and required that immigrants over age 16 be able to read in at least one language. Congress commissioned the 41-volume Dillingham report, named after Senator William Paul Dillingham (R-VT), perhaps the first major U.S.-government social science inquiry. It concluded that immigrants from southern and eastern Europe had more “inborn socially inadequate qualities than northwestern Europeans,” setting the stage for national origin quotas in the 1920s.

Quantitative Restrictions—Since 1921
In 1921, Congress imposed the first quantitative restrictions on immigration, limiting arrivals to 3 percent of the foreign-born persons of each nationality present in the United States in 1910. The base year was soon pushed back to 1890, before most third-wave immigrants had arrived, and northern and western Europeans made up a larger proportion of the population. After 1927, the annual immigrant limit was 150,000, plus accompanying wives and children, and country quotas were determined by a number which bears the same ratio to 150,000 as the number of inhabitants in the United States in 1920 having that national origin bears to the number of white inhabitants of the United States. Accordingly, about 60 percent of the immigrant visas between 1924 and 1965 went to nationals of Germany and the United Kingdom; the 1921 and 1924 quotas applied only to the Eastern Hemisphere.

After World War II, President Harry Truman supported congressional efforts to abolish the national origins system. However, Congress preserved it in the McCarran-Walter Immigration and Nationality Act (INA) of 1952 and overrode Truman’s veto.

In the 1960s, the civil rights movement highlighted government discrimination against nonwhites, which affected U.S. immigration policy. President John Kennedy proposed eliminating the national origins system in the early 1960s. In 1965, Congress moved to eliminate racial and ethnic discrimination in American immigration policy by amending the INA to give priority to immigrants with relatives in the United States who petitioned for their admission. Asians were treated
like other foreigners seeking to immigrate and, for the first time, quantitative restrictions were placed on immigration from the Western Hemisphere.

**Immigration Reforms—1980–2006**

Until the 1980s, U.S. immigration law could be described as a complex system that changed once each generation. The accelerating pace of global change affected migration patterns, and Congress responded with three major changes in immigration laws between 1980 and 1990, three more in 1996, and, since 2001, antiterrorism laws that affect immigration as well as laws aimed at preventing illegal migration.

**1980–1990**

The first change was in the definition of refugees. During the Cold War, the United States defined refugees as persons fleeing communist dictatorship or political violence in the Middle East, and resettled those who escaped. The 1951 UN Refugee Convention defined a refugee as a person outside his or her country of citizenship and unwilling to return because of well-founded fear of persecution due to the person’s race, religion, nationality, membership in a particular social group, or political opinion. The United States adopted the 1951 UN definition with the passage of the Refugee Act of 1980. The number of refugees resettled is determined each year by the President in consultation with Congress.

The second major policy change aimed to reduce illegal immigration. During the 1960s, the Border Patrol apprehended 1.6 million foreigners, but during the 1970s, apprehensions rose five-fold to 8.3 million. Commissions studying the effects of illegal immigration concluded that illegal migrants adversely affected migration patterns, and Congress responded with three major changes in immigration laws between 1980 and 1990, three more in 1996, and, since 2001, antiterrorism laws that affect immigration as well as laws aimed at preventing illegal migration.

The Immigration Reform and Control Act of 1986 (IRCA) embodied an historic bargain between those who wanted to prevent more illegal migration and those who wanted to legalize the status of illegal foreigners who had put down roots in the United States. To prevent illegal immigration, IRCA aimed to close the labor market door by imposing penalties or “employer sanctions” on U.S. employers who hired illegal migrants. To deal with illegal foreigners who had put down roots in the United States, there were two legalization or amnesty programs: one for foreigners who were living in the United States by 1982 and another for farm workers who were employed illegally in 1985–1986.

IRCA legalized 2.7 million persons, over half the estimated 3 to 5 million unauthorized foreigners in the United States at the time. Agriculture had been a stumbling block in Congress because farmers insisted that, if they faced sanctions for hiring illegal workers, they needed a guest worker program to obtain foreign workers. Unions opposed guest worker programs on the grounds that they were “bonded workers” with few rights, and the compromise was a separate legalization program for illegal farm workers.

The compromise was a Special Agricultural Worker (SAW) legalization program that allowed 750,000 Mexican men, one of every seven adult men in rural Mexico in the mid-1980s, to become U.S. immigrants. The SAW program was riddled with fraud, and foreigners soon learned that they could purchase the documents necessary to qualify for an immigrant visa if they wanted them.

A new industry emerged, providing fraudulent documents to foreigners seeking jobs and immigration benefits, and it soon spread. Since U.S. employers did not have to verify the authenticity of the documents presented by workers, employer sanctions laws did not prevent “falsely documented” workers from getting jobs.

During the late 1980s, there was an economic boom and reports of shortages of skilled and professional workers. Some employers and academics argued that, without easy access to foreigners with skills, the American economy would suffer. Congress enacted the Immigration Act of 1990 (IMMIMCT), which more than doubled the number of immigrant visas available for foreigners requested by U.S. employers. The 1990 law also set the current annual ceiling of 675,000 immigrants a year (see Table 2, page 14). Because an unlimited number of immediate relatives of U.S. citizens can be admitted, and because visas not used in some categories in one year can be carried forward and used in future years, actual immigration is significantly higher, 1.1 million in FY05.

**Immigration Changes 1996 to 2006**

Immigration remained a political issue in the early 1990s. Chinese university students were permitted to stay in the United States and apply for permanent residency after a well-publicized incident in which Chinese troops fired on protesters in Tiananmen Square, Beijing. NAFTA allowed Canadian and Mexican professionals to enter the United States to work with minimal red tape. But people were less tolerant of unauthorized immigrants, who were usually in low-skilled jobs. California Governor Pete Wilson won re-election in 1994 in part by endorsing Proposition 187, an initiative that would...
have excluded illegal migrants from state-funded services, including public schools. Concern about immigration, terrorism, and welfare led to three major immigration-related laws in 1996: The Anti-Terrorism and Effective Death Penalty Act (ATEDPDA), the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). Asylum applicants were involved in the 1994 World Trade Center bombing, and the ATEDPDA made it easier to detain aliens convicted of U.S. crimes without bail and to deport them after they had served their sentences. U.S. border inspectors were also given authority to exclude foreigners arriving at airports without proper documents, unless they applied for asylum and made a credible claim that they faced persecution at home.

Limiting Welfare Access
PRWORA radically changed access to welfare benefits for both Americans and immigrants. Welfare rolls were expanding in the early 1990s, and President Clinton pledged to “end welfare as we know it” by requiring poor adults to work to qualify for cash assistance and reducing access to benefits for immigrants. Immigration levels were low when the United States created the welfare state in the mid-1960s, and poor immigrants were generally eligible for the same welfare benefits as U.S. citizens.

Critics of the welfare system charged that immigrants were arriving for a “handout, not a hand up,” and PRWORA made most legal immigrants ineligible for federal means-tested welfare benefits. Excluding immigrants, in fact, accounted for almost half of the savings from welfare reform. In most cases, legal immigrants would have to naturalize after five years to qualify for receive cash assistance, or work at least 10 years. There were a few exceptions: refugees and immigrants who served in the U.S. armed services. Congress later restored benefits to some legal immigrants, including the elderly and children, but unauthorized foreigners remain excluded from most federal welfare benefits.

Table 2
Numerically Limited Immigration in FY05, by Preference

<table>
<thead>
<tr>
<th>Type</th>
<th>Ceiling</th>
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</thead>
<tbody>
<tr>
<td>Planned ceiling</td>
<td>675,000</td>
</tr>
<tr>
<td>Family-sponsored</td>
<td>226,000</td>
</tr>
<tr>
<td>First: Unmarried adult sons and daughters of U.S. citizens and their children</td>
<td>23,400</td>
</tr>
<tr>
<td>Second: Spouses and children of US immigrants</td>
<td>114,200</td>
</tr>
<tr>
<td>Third: Married sons and daughters of U.S. citizens</td>
<td>23,400</td>
</tr>
<tr>
<td>Fourth: Adult brothers and sisters of U.S. citizens</td>
<td>65,000</td>
</tr>
<tr>
<td>Employment-based</td>
<td>148,449</td>
</tr>
<tr>
<td>First: Priority workers; no labor market test</td>
<td>42,456</td>
</tr>
<tr>
<td>Second: Professionals with advanced degrees; labor market test</td>
<td>42,456</td>
</tr>
<tr>
<td>Third: Skilled and unskilled workers; labor market test</td>
<td>42,456</td>
</tr>
<tr>
<td>Fourth: Special immigrants, such as ministers</td>
<td>10,540</td>
</tr>
<tr>
<td>Fifth: Employment creation investors</td>
<td>10,540</td>
</tr>
</tbody>
</table>


Stemming Illegal Immigration
The third 1996 law, IIRIRA, included measures to reduce illegal migration, including adding border patrol agents and introducing a pilot system by which employers could check whether newly hired workers were legally authorized to work in the United States. Welfare offices could use the same system to weed out unauthorized applicants. IIRIRA linked welfare and immigration by requiring U.S. residents who sponsor their relatives for immigration visas to sign legally binding pledges to support the immigrants they sponsor, meaning that, if a U.S. citizen or immigrant sponsored a relative who later got welfare benefits, the sponsor would have to repay the government. IIRIRA also imposed an income test: U.S. sponsors were required to have an income at least 125 percent of the poverty line. An immigrant sponsoring his wife and two children for an visa would need an income of at least $25,000, which is 125 percent of the 2006 poverty line for a family of four.

During the late 1990s, Congress enacted legislation to regularize the status of Central Americans who had come to the United States during the civil wars in their countries in the 1980s, but had been refused asylum under the current policies. Caribbean migration was also an issue, as Cubans and Haitians arrived by boat and sought to stay. Elian Gonzalez, a 6-year old Cuban boy rescued at sea on Thanksgiving Day 1999, and brought to Miami, focused attention on U.S. refugee policies. Elian was eventually returned to his father in Cuba over strong objections from Cuban Americans. Some Haitians who arrived by boat were allowed to seek immigrant status if they could show that returning to Haiti would be impose an “extreme hardship” on their U.S. families.

Responses to Terrorism
On Sept. 11, 2001, four commercial planes were hijacked by 19 foreigners. Two planes were flown into the World Trade Center towers in New York City, bringing them down and killing nearly 3,000 people. A third plane flew into U.S Department of Defense headquarters at the Pentagon, killing nearly 200 people, and a fourth crashed in Pennsylvania, killing all on board. President George W. Bush declared war on ter-
rorists and the countries that harbor them, and Congress enacted legislation to fight terrorism.

The ability of the hijackers to plan and carry out their attack while living inconspicuously in the United States demonstrated weaknesses in the U.S. immigration system. Several of the hijackers had obtained driver’s licenses and ID cards in states that did not require proof that the applicant was legally in the United States. The hijackers had entered the United States legally, but it was noted that they could have slipped into the United States with unauthorized foreigners over the Mexican or Canadian borders.

Anti-terrorism laws such as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT) of 2001 granted the U.S. Attorney General the power to detain any foreigner designated a danger to U.S. national security. Some 1,200 foreigners were detained and held in secret in the aftermath of Sept. 11, but none were found to have terrorist links, and most were deported for violating immigration laws.39

The Enhanced Border Security and Visa Entry Reform Act (EBSVERA) of 2002 required universities to keep better track of the foreign students they enrolled and heightened scrutiny of visa applicants from countries deemed sponsors of terrorism. Foreigners needing visas to enter the United States must be interviewed by consular officers abroad, and applications from most Middle Eastern countries are sent to Washington, D.C., to be checked against government databases to detect terrorists. The REAL ID Act of 2005 prohibits federal agencies from accepting driver’s licenses issued by the 10 states that grant them to unauthorized foreigners.

Perhaps the most important change after Sept. 11 was the creation of a new cabinet agency, the Department of Homeland Security (DHS). The Immigration and Naturalization Service was moved from the U.S. Department of Justice to DHS and divided into three different agencies. One focused on border enforcement and inspecting persons arriving in the United States, one oversaw enforcement of immigration laws, and the other handled applications for immigration benefits.

Illegal Migration
The debate over what to do about illegal migration intensified as the number of unauthorized foreigners continued to increase after Sept. 11. Some state and local governments did not require proof of legal residence for drivers’ licenses and IDs, and many instructed their police not to request information on legal status from people they encountered, to protect civil rights. Other states and cities required applicants for licenses and IDs to prove they were legally in the United States, trained state and local police to identify suspected unauthorized foreigners, and cracked down on day labor markets where migrants sought jobs.

The debate in the mid-2000s echoes that of the early 1980s. Some argue that unauthorized foreigners are needed to fill U.S. jobs and should be legalized, while others argue that unauthorized workers depress U.S. wages and the government should do more to prevent illegal migration. Most Democrats and many business-friendly Republicans favor the legalization of illegal workers. They were joined by many ethnic groups, unions, and church groups and supported on the editorial pages of some national newspapers. Most Americans and many law-and-order Republicans, on the other hand, wanted more done to prevent illegal migration and were leery of another legalization program.

President Bush during the 2000 campaign and several times since called for a new guest worker program to match willing foreign workers with vacant U.S. jobs and reduce illegal migration.40 But many law-and-order Republicans called for stronger boarder control and rejected the guest worker proposal. In response, Bush addressed border enforcement in his first domestic policy speech from the Oval Office in May 2006, as the Senate was debating immigration reform. Bush called for 6,000 National Guard troops to bolster the Border Patrol while DHS expanded the number of agents from 12,000 to 18,000.

Proposals to stem illegal immigration that depend on enforcement tend to include some or all of the following:

- Mandatory screening of newly hired as well as existing employees to ensure they are legally authorized to work in the United States;
- Adding more fencing along the Mexico-U.S. border;
- Making “illegal presence” in the US a felony, which may make it hard for unauthorized foreigners to eventually become legal immigrants.

The guest worker or legalization program has been opposed by many politicians under the theory that enforcement should be proven effective before additional migrant workers arrive legally and before the government deals with unauthorized foreigners in the United States.

In spring 2006, the American public was surprised when immigrants in cities around the country organized massive demonstrations against the House bill, culminating in a May 1, 2006 “day without immigrants” protest. Most of the demonstrators supported comprehensive immigration before, including new enforcement
provisions, as well as legalization provisions and guest worker programs. While the demonstrations may not have swayed U.S. lawmakers, and organizers have not been able to turn out as many immigrants in subsequent events, the “day without immigrants” attracted new attention to size and potential political influence of the U.S. foreign-born population.

Immigration and U.S. Population

Immigration has a major effect on the size, distribution, and composition of the U.S. population. Because fertility and mortality are relatively low in the United States, immigration’s role in the growth of the population has increased. Immigration contributed at least a third to the total population increase between 1990 and 2000, as the number of foreign-born U.S. residents rose from almost 20 million to over 31 million.

Until the 1990s, these effects were confined largely to the major immigration states, California, New York, Florida, Texas, and Illinois, that had 75 percent of U.S. immigrants in 1990. Immigrants accounted for at least 10 percent of the populations of these and several other states in 2005 (see Figure 4). Immigrants are moving into new parts of the country, and by 2005 these five states had only 59 percent of U.S. immigrants. New immigrant “hot spots” include places that have not experienced significant immigration for almost a century, such as North Carolina, Georgia, Nevada, and another 16 states that saw their immigrant populations more than double in the 1990s. Although immigrants made up less than 5 percent of the population in most states in the middle of the country, as shown in Figure 4, these are the states that are seeing the fastest growth.

Because immigrants have characteristics different from those of native-born Americans, they are making the American populace more racially and ethnically diverse (see Box 3, page 19). In 1970, at the beginning of the current wave of immigrants from Asia and Latin America, 83 percent of Americans were white non-Hispanics: descendants of the European immigrants who had arrived over the course of 250 years. African Americans—a group descended from African, mostly involuntary, immigrants, from a previous century made up 11 percent. Hispanics and Asians made up less than 6 percent. By 2005, the share of white non-Hispanics had shrunk to 67 percent, while the share of black inched up to 13 percent. The share of white non-Hispanics is projected to drop to 52 percent in 2050, while the share of Hispanics is projected to rise from 14 percent in 2005 to 25 percent (see Figure 5). The share of blacks remain about the same, while the share of Asians is projected to increase from 4 to 10 percent. If immigration remains at current levels, the racial and ethnic shift will be even greater over the next several decades. The number of foreign-born persons (the first generation) is projected to rise from 25 million in 1996 to 42 million in 2025, and the foreign-born share of the U.S. population is projected to increase from 10 percent to nearly 15 percent. Accordingly, the number of second generation Americans—the children of immigrants—will continue to increase. In 1995, first- and second-generation Americans were about 20 percent of the U.S. population. If net legal and illegal immigration averages 820,000 per year, first- and second-generation Americans are projected to be about one-third of the U.S. population in 2025. It is sometimes said that immigration can “keep America young” or “save Social Security.” Immigrants tend to be young adults; many have children after they arrive. And immigrants have a higher fertility rate than the native-born population. Demographic analysis, however, reveals that current levels of immigration have a modest effect on the median age of U.S. residents. More important, immigration will not prevent the increase in the ratio of working-age Americans to the young and especially to older Americans, as measured by the dependency ratio.

The U.S. median age, 35 in 2000, was projected by the Census Bureau to rise to 39 by 2030 even with pro-

Figure 4


<table>
<thead>
<tr>
<th>Year</th>
<th>American Indian</th>
<th>Asian</th>
<th>Hispanic</th>
<th>Black</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>5</td>
<td>11</td>
<td>83</td>
<td>0.5</td>
<td>1</td>
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<tr>
<td>2005</td>
<td>5</td>
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<td>67</td>
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</tr>
<tr>
<td>2030</td>
<td>7</td>
<td>20</td>
<td>58</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2050</td>
<td>10</td>
<td>25</td>
<td>52</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

jected net immigration of close to 1 million people annually. Given the U.S. age structure in 2000, each 100 people of working age—defined as ages 20 to 64—would need to support about 21 people age 65 or older. Because the population is growing older, 100 working-age people must support 36 older people by 2030.43 While immigration may slow this process, the dependency ratio will continue to increase.

But immigrants are a crucial part of the increase in the labor force because they tend to be of working age. Immigrations accounted for nearly 50 percent of the total labor force increase between 1996 and 2000, and as much as 60 percent of the increase between 2000 and 2004.44 Assuming net immigration of about 1 million per year, new immigrants and their children will account for all of the growth in the U.S. labor force between 2010 and 2030.45

Economic Effects of Immigration

Most immigrants come to the United States for economic opportunity. As they go to work in the United States, immigrants affect the U.S. economy and labor market. Most working-age immigrants find jobs, earn and spend their wages, pay taxes, and consume public services. In doing so, immigrants expand employment and the economy while depressing wages or the growth in wages, especially for workers similar to the immigrants. Profits rise, and the entire economy expands because of immigration.

The National Research Council (NRC) in 1997 emphasized that the main beneficiaries of immigration are the immigrants—who earn higher wages—followed by their U.S. employers. Skilled U.S. workers and affluent consumers also benefit from the presence of unskilled immigrants, as when professionals hire migrants to do household work or pay slightly less in restaurants because migrants hold down wages (see Box 4, page 20). Legal and illegal immigration boosted the GDP—the value of goods and services produced in the United States—between $1 billion and $10 billion in the mid-1990s in an $8 trillion U.S. economy.46 Proponents of immigration stressed that the sign of the immigrant effect was positive; opponents stressed that the effect was trivial for the huge U.S. economy.

Immigration has small but overall positive economic effects, making the major questions about immigrant impacts distributional, especially who benefits and who suffers from immigration? Immigrants are different from the U.S.-born in their level of education, which means that they have uneven effects on U.S.-born workers.

The best single predictor of U.S. income is years of education, and immigrants have a different educational profile than U.S.-born adults (see Figure 6). Some 27 percent of the foreign born in 2004 had at least a college degree, the same percentage as U.S.-born Americans ages 25 and older. At the other end of the education distribution, 32 percent of the foreign-born did not finish high school, while just 13 percent of U.S.-born adults did not complete high school.
The differences between immigrants and the U.S.-born are clear: the educational profile of U.S.-born adults features a bulge in the middle, reflecting the 60 percent of Americans with a high-school diploma and some college. Immigrants are more evenly divided into college graduates, high-school graduates, and those with less than high school. The large share of immigrants with less than a high-school diploma has raised concerns about the impact of immigrants on low-skilled U.S. workers and the balance of their taxes paid and tax-supported benefits received.

Labor Market Effects
Immigration adds workers who change U.S. wages, prices, and profits. In 1986, the President’s Council on Economic Advisors summarized the labor market effects of immigrants as follows:

“Although immigrant workers increase output, their addition to the supply of labor . . . [causes] wage rates in the immediately affected market [to be] bid down. . . Thus, native-born workers who compete with immigrants for jobs may experience reduced earnings or reduced employment.”

Most research interest and policy concerns focus on how immigrants affect those in the bottom half of the labor market. Governments have long protected vulnerable low-wage workers by establishing minimum wages and regulating hours of work and allowing workers to join unions and bargain for higher wages with their employers.

Economists and other social scientists have used three kinds of studies to examine the labor market effects of immigrants in detail: case studies, econometric studies, and economic mobility or integration studies.

Case studies examine the impacts of immigrants in a particular industry or occupation, not the overall economy. When unionized farm workers in southern California went on strike for a wage increase in 1982, many were replaced by unauthorized newcomers who were recruited to break the strike by labor contractors. Their displacement in this case was a result of a competition between employers—the unionized harvesting association lost business and laid off workers as growers turned to farm labor contractors who hired nonunion and often unauthorized workers to get their lemons picked. Eventually, the unionized harvesting association went out of business, and the wages of lemon pickers declined.\(^4^8\)

Case studies show that immigrants can displace workers and depress wages by adding vulnerable workers to the labor supply. This scenario conforms to accepted labor market theory, but as the lemon example shows, immigration’s effects on wages and employment are sometimes indirect. One reason is that many workers are hired via networks, meaning that current workers bring their friends and family to fill vacant jobs. Once a network takes over recruitment into a particular workplace, local workers may not learn about job vacancies, as immigrants send job information back home. Network hiring via contractors explains how the owners of office buildings in Los Angeles replaced unionized black janitors with immigrants hired through cleaning contractors in the 1980s and 1990s.\(^4^9\)

Other case studies show how an industry can introduce immigrants to an area. The meat industry employs about 500,000 workers to turn cattle, hogs, sheep, and poultry into meat and other products. The industry has shifted from cities such as Chicago to more rural areas in the Midwest and southeast over the past quarter century. Plants became fewer and larger, and often sought to operate 16 hours a day with two “disassembly” shifts in areas with relatively few workers and wages much lower than were paid in cities, where workers had other job options. Many plants recruited immigrants, and today about half of the workers in meatpacking are Hispanic.\(^5^0\)

Econometric studies consider how immigration, wages, and employment interact in a city’s labor market, often by comparing cities with higher and lower shares of immigrant workers. They begin with the assumption...
that, if immigrants depress wages or displace workers, cities with a higher share of immigrants will have

depressed wages or higher unemployment rates, especially among similar native-born workers. Econometric

| Table 1 |
|------------------|----------------|----------------|
|                  | Number (millions) | Total | U.S. born | Foreign-born |
| 1980             | 227              | 213   | 14         |
| 1990             | 247              | 229   | 20         |
| 2000             | 281              | 250   | 31         |
| 2005             | 288              | 253   | 36         |
| Percent Increase | 1980–1990        | 9.8   | 7.7        | 40.4        |
|                  | 1990–2000        | 13.2  | 9.3        | 55.4        |
|                  | 2000–2005        | 2.5   | 0.9        | 16.3        |
| FB Share of Increase | 1980–2005 | 100.0 | 68.4 | 30.4 |


About 12 percent of U.S.-born Americans and 15 percent of foreign-born Americans had incomes below the poverty line in 2005. Because of the earnings gap, Mexican-born were much more likely to be below poverty (23 percent) than Asian-born (10 percent).

Households headed by a foreign-born person—which may also contain children or other relatives born in the United States—are more likely to be below poverty. About 17 percent households headed by immigrants had incomes below the poverty line in 2004, compared with 12 percent of those in households headed by a U.S.-born person. About 26 percent of those in households headed by a person born in Mexico were poor, 25 percent of those headed by a person born in the Dominican Republic, and 20-21 percent of those in households headed by persons born in Russia, Guatemala, Haiti, and Honduras.

Foreign-born couples tend to have more children than U.S.-born couples. Foreign-born residents are in their prime childbearing years, and immigrants often come from countries where larger families are more common than they are in the United States. Accordingly, the percentage of births to foreign-born women is higher than their share of U.S. residents. In 2004, nearly one-fourth of 4.1 million babies born in the United States had foreign-born mothers. Nearly two-thirds of Hispanic births were to mothers born outside the United States.

References
If this entire wage increase were passed to consumers, the average household would save $22 a year. If there were fewer migrant workers, we expect farm wages to rise. It is hard to predict exactly how high they would rise, but in 1966, after the Bracero program ended, the fledgling United Farm Workers union won a 40 percent wage increase for grape harvesters. If current wages grew by 40 percent, average farm-worker earnings would rise to $12.35. If this entire wage increase were passed to consumers, the 6 cent farm labor cost of a pound of apples or a head of lettuce would rise by about 8 cents, and the retail price would rise by about 3 cents.

For a typical household, a 40 percent increase in farm wages translates into a 2 percent to 3 percent increase in the retail price of fresh fruits and vegetables. Average yearly spending on fresh fruits and vegetables under this scenario would rise by 5.8 to 6.7 percent. However, earnings for a typical seasonal farm worker could rise from $8,800 to $12,350 for 1,000 hours of work, pushing him or her above the federal poverty threshold ($9,570).

Are the savings on fresh produce due to immigration worthwhile? The migrants are better off, earning more in the United States than they would at home. U.S. farmers and their bankers are also better off, enjoying higher profits and higher land prices. U.S. and foreign consumers of U.S. commodities pay less for fresh produce. The critical question is whether these benefits are more valuable than having farm work performed and rewarded like other work in America. The way this question is answered is a major determinant of U.S. immigration policy, especially with respect to Mexico.

**References**

6. The calculation is as follows. If farmers receive an average 17.5 percent of the retail price, and give a third of what they get to farm workers, the farm worker share of the retail dollar is 6 percent. If farm labor costs rise 40 percent, and 0.4 x 6 percent = 2.4 percent rise in retail prices.
Several reasons for no adverse effects were offered, including more jobs to build housing for the newcomers, the different job mix of Cuban newcomers and local blacks (few Cubans got government jobs), and migration patterns—Miami’s population growth slowed in the early 1980s relative to the rest of Florida. Such findings led economist George Borjas to summarize the 1980s research literature by saying “modern econometrics cannot detect a single shred of evidence that immigrants have a sizable adverse impact on the earnings and employment opportunities of natives in the United States.”

During the 1990s, some researchers began to realize that, instead of staying in “immigrant cities,” U.S.-born workers who competed with immigrants moved away, or did not move to cities with large immigrant populations, so that the effects of immigration on wages or unemployment were quickly diffused throughout the country rather than being measurable in an immigrant city such as Los Angeles or Houston. Demographer William Frey called such internal migration in response to immigration “the new white flight” from immigrant cities. Later studies have found much smaller impacts of immigrants on internal migration.

Also, many of the similar U.S. workers in “immigrant cities” do not compete directly with immigrant workers. For example, many blacks, women, and naturalized U.S. citizens work for government at wages set by federal or state governments, or negotiated via collective bargaining, so their wages do not respond immediately to an influx of immigrant workers. If some of the U.S. workers who compete with newcomer immigrants move away, and the workers who remain are sheltered from immigrant wage effects, it is very hard to detect the expected effects of immigrants in comparisons of city labor markets.

Measuring the impacts of 22 million foreign-born workers on 127 million U.S.-born workers in the early 2000s is not easy, even if the foreign-born workers differ significantly in education and location. The expected labor-market effects of immigrants, slower wage growth and higher unemployment among similar workers in cities with more immigrants, tend to be small and very hard to measure, especially because U.S. residents are mobile and labor markets are flexible. Indeed, if immigrants move to fast-growing cities, city-comparison studies may misleadingly suggest that immigration benefits similar US workers. The difficulty measuring immigrant impacts, and the different conclusions reached by (immigrant) economists such as George Borjas, who believes that immigrants reduce the wages of similar U.S. workers, and David Card, who does not, ensures a continuing debate.

Economic mobility or integration studies ask how immigrants and their children are faring in the United States. Immigrants earn about 75 percent as much as U.S.-born workers: in 2005, their median weekly earnings were $511, versus $677 for U.S.-born workers. Lower earnings for newcomers who may not know English or have U.S. work experience are not surprising; the question is whether the earnings of immigrants catch up to those of U.S.-born workers over time, suggesting economic integration.

Researchers report conflicting findings. Economist Barry Chiswick found that the earnings of immigrant men in the United States in 1970 were initially 10 percent lower than those of similar U.S.-born men, but immigrant’s earnings caught up with and even passed those of native-born men after two decades in the country. Chiswick’s study suggested that the fresh-blood argument—the extra drive and ambition that leads people to cross national borders and begin anew—can expand the U.S. economy and raise average earnings.

Economist George Borjas a decade later concluded that Chiswick’s findings applied to a unique set of circumstances that reflected immigration patterns and policies of the 1950s and 1960s. Most of the immigrants in the United States in 1970 were Europeans or well-educated Asians. However, later cohorts of immigrants who arrived with less education, such as legal and unauthorized Mexicans arriving in the 1980s and 1990s, started their American journeys with much lower earnings than did immigrants in the 1950s and 1960s. The Mexicans’ earnings did not rise as fast because many lack high school diplomas, leading Borjas to conclude that continued Latin American immigration would lead to widening economic gulf between immigrants and native-born Americans.

The education gap explains some of this disparity. Educational levels have risen faster for U.S.-born residents than for immigrants which helps to explain the widening earnings gap between immigrants and the U.S.-born.

Entrepreneurship
Economists tend to look at U.S. earnings to measure economic integration, but some social scientists emphasize other indicators, such as entrepreneurship or starting new businesses. Immigrant-owned businesses are highly visible in many cities, from ethnic restaurants...
and shops to services from gardening to cleaning. With immigrants often willing to work long hours, sometimes creating jobs for family members and other immigrants from their countries of origin, some commentators say that immigrant energy can revitalize cities.\(^{50}\) Many Cubans in Miami, for example, began businesses to serve other Cubans in an “ethnic enclave” that is seen as an economic incubator.\(^{61}\)

Entrepreneurship is hard to measure, and self-employment is often used as a proxy measure for those who begin their own businesses. About 13 percent of U.S.-born workers were self-employed in 2005, including farmers, doctors and lawyers, as were 11 percent of foreign-born workers. Rates of self-employment were especially high among some groups: 28 percent of those born in Korea and Iran were self-employed in the US, as were 20 percent or more of those born in Russia and Iran.\(^{62}\) Self-employment normally declines with economic development, as farmers leave the land for urban jobs in factories and offices. However, in the new service economy, it has become easier to be self-employed, and immigrants may be in a unique position to spot opportunities.

### Immigrant Fiscal Effects

One of the most debated questions surrounding immigrants is whether they “pay their way” in the United States. It is very hard to determine whether the taxes paid by immigrants cover the cost of the public services they use, such as schools, welfare benefits, and health care. The answers require making assumptions about the earnings trajectories of immigrants and their children as well as some critical assumptions about how to allocate the costs of certain types of services.

Most analysts believe that immigrants pay more in taxes than they consume in tax-supported benefits because most are young and in their working years. Since most tax-supported services are for the young, such as schools, or the elderly, such as pensions and health care, immigrants of working age should be net tax contributors.\(^{63}\) Both legal and illegal immigrants are responsible for paying taxes, including sales and income taxes, but they are not eligible for some tax-supported services, which should further increase their positive fiscal effects.

During the early 1990s recession, states such as California sued the federal government to recover the cost of providing public services to unauthorized foreigners. These suits, ultimately rejected by the courts, stimulated research on taxes paid by and the costs of services provided to immigrants.

A major review of these studies by the National Research Council (NRC) in 1997 reached two major conclusions. First, the federal government tends to benefit from immigration, even for low-earners, but state and local governments may not. Most taxes paid by immigrants are income taxes withheld by the federal government and are used in part to provide social security and health care benefits to elderly Americans. The state and local income taxes paid by immigrants are much lower and, for low-earning immigrants, may be small despite sales taxes. Young and low-earning immigrants thus pay most of their taxes to the federal government, but consume services disproportionately funded by state and local taxes, including education for their children. This finding suggests the possibility of a federal-state revenue-sharing arrangement.

Second, an immigrant’s fiscal balance—the taxes paid minus the cost of services consumed—depends primarily on the immigrant’s earnings. A third of immigrants have not graduated from high school, and if they live in high-service states such as California, a combination of low taxes and extensive services means that households headed by U.S.-born persons pay higher taxes to provide services to immigrant-headed households.

The NRC estimated that California households headed by Latin American immigrants received an average $5,000 more in federal, state, and local services than they paid in taxes in 1996, largely because they had low incomes (and thus paid lower taxes) and had had more children than U.S. households attending public schools. California households headed by U.S.-born persons paid $2,700 more in federal taxes than they received in federal benefits, while immigrants had exactly the opposite fiscal balance—they received $2,700 more in federal benefits than they paid in federal taxes. If these fiscal-balance estimates are applied to the entire U.S. population, the 89 million households U.S.-born heads paid an extra $200 each in 1996 to cover the gap between taxes paid and services consumed by 9 million immigrant-headed households, an immigrant deficit of $15 billion to $20 billion.\(^{64}\)

Fiscal-balance studies are snapshots. However, immigrant earnings tend to rise with time in the United States, and so do immigrant tax contributions. The NRC attempted to construct a motion picture of immigrant integration, projecting future patterns of immigrant and native earnings, taxes paid and use of government services, and the earnings and taxes-benefit ratios for the children and grandchildren of immigrants and natives.

The present value of an immigrant, was estimated at $80,000 in 1996, reflecting a negative $3,000 for the immigrant, but a positive $83,000 for the immigrants’ children (see Figure 7). The NRC found that immi-
Immigrants with more education earn more and thus have a more favorable fiscal balance. Immigrants with more than high-school diplomas have a present value of $105,000, and if the benefits from their children are included, a benefit for the United States of $198,000. However, immigrants with less than a high-school diploma impose a lifetime cost of $89,000 and, even with the gain of $76,000 from their children, the net effect is a $13,000 loss. The NRC concluded: “If the policy goal were to maximize the positive contribution of immigration to public sector budgets, that could be achieved by policies favoring highly educated immigrants and not admitting immigrants over age 50.”

Immigrants in American Society

During the 19th and early 20th century, the leading metaphor for the incorporation of newcomers was a fusion of peoples in a “smelting pot” (Ralph Waldo Emerson), “cauldron” (Henry James) or “crucible,” in which “immigrants were Americanized, liberated, and fused into a mixed race, English in neither nationality nor characteristics.” The hero of Israel Zangwill’s popular play of 1908, “The Melting Pot,” cried out “Germans and Frenchmen, Irishmen and Englishmen, Jews and Russians - into the Crucible with you all! God is making the American!”

Reality was more complex. There is always a tension between the newcomers’ desire to keep alive their culture and language, and their need to adapt to new surroundings and a different society. The balance between these competing forces changed over time, but three principles guided what is now called integration:

America was generally open to all kinds of immigrants. In the words of George Washington: “The bosom of America is open to receive not only the Opulent and respectable Stranger, but the oppressed and persecuted of all Nations and Religions; whom we shall welcome to a participation of all our rights and privileges.”

No ethnic group should establish a formally recognized political identity. Nothing bars the formation of an Irish-American or a Mexican-American political party, but the two-party tradition and the idea that American citizens act politically as individuals, not as members of defined ethnic groups, has discouraged such political parties.

No ethnic or national origin group is required to give up its character and distinctive qualities. Each immigrant group has been free to maintain some of its cultural heritage and institutions if it wants to.

The integration of immigrants has not been easy (see Box 5). However, there is less open hostility to particular racial and ethnic groups than in the past. President Herbert Hoover, in a dispute with Congressman Fiorella LaGuardia (R-NY) in 1930, sent a letter that read: “the Italians are predominantly our murderers and bootleggers,” and invited LaGuardia and his Italian American supporters to “go back to where you belong” because “like a lot of other foreign spawn, you do not appreciate this country which supports you and tolerates you.”

Immigrant integration today can be regarded as a glass half full or half empty. Some sociologists believe that many children of working-class immigrants may join Blacks in a “rainbow underclass,” a process they call segmented assimilation. Others say that most children of immigrants can expect to do better than their parents, even if they do not catch up to their U.S.-born peers.

Studies of how immigrants interact with Americans find that newcomers and natives often cooperate to achieve local goals, such as obtaining government benefits, organizing sports teams for children, and improving their neighborhoods. However, in cities with large immigrant populations that are segregated from natives, there may be limited interactions between newcomers and natives, allowing suspicion and hostility to flourish.

The U.S. Commission on Immigration Reform (CIR) in 1997 recommended that the federal government do more to “Americanize immigrants.” The CIR emphasized that Americanization, accommodating and integrating immigrants, is a two-way street. The United States expects “immigrants to obey our laws, pay our taxes, and become full members of American society.”

Figure 7
The Long-Term Fiscal Impact of One Immigrant

<table>
<thead>
<tr>
<th>Amount in U.S. dollars (thousands)</th>
<th>Not high school graduate</th>
<th>High school graduate</th>
<th>More than high school</th>
<th>All immigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Immigrant</td>
<td>Descendents</td>
<td>Total effect</td>
<td>Immigrant</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------</td>
<td>------------</td>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Not high school graduate</td>
<td>$76</td>
<td>$82</td>
<td>$51</td>
<td>$83</td>
</tr>
<tr>
<td>High school graduate</td>
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<tr>
<td>More than high school</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>All immigrants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

taxes, respect other cultures and ethnic groups. At the
same time, we ... also incur obligations—to provide an
environment in which newcomers can become fully par-
"Historian Larry Fuchs, used the term “kaleidoscope”

The CIR recommended federal grants to communi-
ties with large numbers of immigrants to create resource
centers that promote immigrant-native interactions. It
also urged U.S. businesses to do more to help integrate
immigrants they hire: “Those business groups in partic-
ular who lobby for high levels of immigration must
make a far greater effort not only to support immigra-
tion, but also to support immigrants, through English
classes, naturalization and civic education.”

Naturalization and Politics

Two important founding principles were established in
the U.S. Constitution: all persons in the United States
are to have full and equal rights, and all persons born in
the United States are automatically U.S. citizens. The
United States is still striving to undo the effects of the
major exception to these rules, slavery. Among the
remedies have been anti-discrimination laws and prefer-
ences for the descendents of slaves. Many of these reme-
dies have been extended to minority immigrants and
their descendents.

Most laws make few distinctions between U.S. citi-
zens and legal immigrants. Legal immigrants can live
where they please, hold most types of jobs, serve in the
military, and buy a house, land, or business. All foreign-
ers in the United States, including legal and illegal
migrants, have basic constitutional rights, including the
right of free speech and the free exercise of religion.
Legal immigrants can vote and hold office in U.S. labor
unions and other private organizations such as churches
and fraternal groups, but not vote or run for public
office; and their access to some welfare benefits is
restricted according to the number of years they have
lived in the United States.

The United States encourages immigrants to become
naturalized citizens, and applauds the country’s immi-
grant heritage in naturalization ceremonies on July 4
and other national holidays. Legal immigrants at least
18 years old and in the United States for at least five
years can naturalize by paying a fee, undergoing a back-
ground check and passing a test of English and civics.
Questions such as “Where is the White House located?”
and “Name one right guaranteed by the First Amend-
ment” were among those asked on recent tests.

Australia, Canada, and New Zealand have shorter
residency requirements, simpler tests, and lower fees,
although they are more selective about who they allow
to immigrate. Most western European countries, on the
other hand, have more difficult naturalization proce-
dures than those in the United States.

But many legal immigrants to the United States
never become naturalized U.S. citizens. Naturalization

Box 5
Melting-Pot vs. Salad Bowl or Integration vs. Pluralism

Two prescriptions for the accommodation of immigrants in American
society characterize the extremes in the ongoing debate about the
accommodation of immigrants: integration and pluralism. The inte-
grationist (assimilationist) aims to eliminate ethnic boundaries; the
pluralist (multiculturalist) aims to maintain them. For integrationists,
American democracy is composed of equal individuals; for pluralists,
it is an equality of groups. For the integrationist, what counts is what
the citizen thinks and believes; the pluralist wants to conserve an
individual’s awareness of where he came from.

Neither extreme describes the realities for immigrants in the
United States. The melting pot ignores the persistence of memory
and the importance of the home culture. Ethnic affiliation persists
among many Americans into the second and third generation and
beyond, long after the language and knowledge of the “old country”
has been lost. The pluralists’ insistence on group identity, on the
other hand, limits the freedom of individuals to choose their loyal-
ties. Pluralists assume that ethnic boundaries remain fixed, ignoring
the fact that in the open U.S. society, people work, make friends and
marry outside their ancestral communities.

The integration versus pluralism debate is played out in many ven-
tues. In college dorms, should students be placed with others of the
same race and/or ethnicity, or should students mix with those from
different backgrounds? Should school children be grouped according
to their home languages, or should they be brought together in Eng-
ish-language classes? In the workplace, can employers require their
employees to converse only in English?

Historian John Higham proposed “pluralistic integration” to
accommodate newcomers, which begins from the premise that there
is a common U.S. culture shared by all Americans. However, pluralis-
tic integration allows minorities to preserve and enhance their culture
and identity. According to Higham, pluralistic integration means that
public funds should not be used to promote differences between
racial and ethnic groups: “No ethnic group under these terms may
have the support of the general community in strengthening its
boundaries, [but] ethnic nuclei are respected as enduring centers of
social action.” Historian Larry Fuchs, used the term “kaleidoscope”
to emphasize the dynamics of immigrant integration: immigrants
adapt and change, and so does American society.

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rates vary by country of origin and personal characteristics such as age and income. Naturalization is more likely among those who do not expect to return soon to their home country (like refugees) and by immigrants who want to sponsor relatives for admission. The probability of naturalization increases with age, education, income, and English-language ability.

Mexicans have a relatively low rate of naturalization for a variety of reasons. Many have not been in the United States legally for the requisite five years; many are young; many have low incomes and limited English. Mexican government policies also played a role. Before 1996 changes in Mexican law, Mexicans who became naturalized U.S. citizens lost their Mexican citizenship and thus rights granted only to Mexican citizens, such as the right to own and inherit certain types of Mexican land.

The number of naturalizations surged in the mid-1990s for several reasons, including more the fact that more foreign-born residents were becoming eligible. Many of the 2.7 million unauthorized foreigners legalized in 1987-1988 became eligible to naturalize in 1995. The 1996 laws that reduced the eligibility of non-citizens to welfare benefits also encouraged naturalization, as did Mexico’s approval of dual nationality, so that those who became U.S. citizens would not lose citizenship and rights at home.

When immigrants become citizens, they become potential voters. If Latino immigrants naturalized and voted en bloc, their votes could determine election outcomes in some areas. Rising numbers of naturalized Latino and Asian voters have already begun to affect state and local elections, but it may be decades before they significantly affect national elections. However, immigrants tend to have many of the characteristics associated with a low voter turnout: They have a young age profile, lower than average incomes and education, are less likely to own a home, and are more likely to belong to a racial or ethnic minority. Even after accounting for these factors, however, naturalized citizens are less likely than U.S.-born citizens to register and vote.

Language and Education
In 2005, an estimated about 84 percent of the foreign-born population spoke a language other than English at home (see Figure 8). Spanish was by far the predominant language used at home, with Chinese a distant second. About 18 percent spoke Chinese, Tagalog, Korean, or another Asian language, and 17 percent spoke French, German, Italian, or another European language.

In the United States, the shift from speaking another language to speaking English has usually occurred over three generations. Adult immigrants commonly did not learn English well. Their children were usually bilingual, using their parents’ language at home and English at school, but English often became dominant for the children of immigrants as they entered the workplace. The grandchildren of immigrants—the third generation—typically speak only English. The shift to English may be accelerating among recent immigrants, occurring within two generations rather than three.

Poor English skills are associated with lower earnings. Earlier immigrants could farm, work in factories or build railroads without speaking English, but in today’s high-tech service economy, some English is required for nearly all jobs. One study found that “among immigrant men who spoke a language other than English at home, those who were not fluent in English earned only about half as much as those who were.”

Most immigrants want to learn English, these studies show. But acquiring a new language is a difficult undertaking for an adult, particularly for an adult who works long hours. Some 1.2 million adults were enrolled in state-administered English as a second language (ESL or English Literacy) programs during 2003-2004, but there are frequently long waiting lists to get into these programs.

Figure 8
Languages Spoken at Home by the U.S. Foreign-Born Population, 2005

Note: Refers to people age 5 or old living in the United States. Excludes people living in military barracks, college dormitories, or other group quarters. These data represent the midpoint of a range of estimates derived from the American Community Survey. The margins of error are listed in the source table.

classes. The federal government provides some funds to states to support English-language learning by adults.

Public Education
The growing population of residents with limited English skills is also a major issue for the nation’s schools. Students who have difficulty understanding an all-English curriculum are referred to as limited-English proficient (LEP) or English language learners (ELLs), terms whose definition varies by state and among federal agencies. In 1970, the Education Department’s Office for Civil Rights issued a memo to school districts with more than 5 percent national-origin minority students informing them that if “inability to speak and understand the English language excludes national-origin minority group children from effective participation in the educational program... the district must take affirmative steps to rectify the language deficiency in order to open its instructional program to these students.”

Just over 10 percent of public school students in 2004-2005 were classified as LEP/ELL, a total of 5.1 million. Thirty percent were in California alone. Another 30 percent were attending school in five other high-immigration states: Texas, Florida, New York, Illinois, and Arizona. The 2004-2005 number is a sharp jump from 3.3 million LEP/ELL pupils a decade earlier. There were four- and five-fold increases in new immigrant destination states such as Indiana, Kentucky, Nebraska, and North and South Carolina. The overwhelming majority of LEP/ELL students spoke Spanish—nearly 80 percent in 2000-2001. Of the more than 400 other languages spoken by American public school students, Vietnamese, Hmong, Chinese, and Korean were most common, but each of these accounted for just 1 percent to 2 percent of LEP students.

LEP students require special services and teachers—which impose a financial burden on state and local school systems. The financial support from the federal government has taken various forms in recent decades, and most school systems argue that it is not sufficient.

There is heated debate about the best way to teach non-English-speaking children: Should newcomers be quickly be integrated into mainstream America or encouraged to retain their distinctive cultural attributes and their native languages: If schools give priority to rapid English-language learning, does that show concern for the future success of children in the United States, or is it “Anglo cultural imperialism?” Is bilingual education patronage that creates jobs for members of particular ethnic groups? Should immigration policy be changed to favor people who already know English, as in Australia and New Zealand?

Strong feelings about the role of English often overwhelm educational considerations in the debate over bilingual education. Should the United States establish English as its official or national language? Would a prohibition against the use of other languages in government be an affirmation that English is the common language of the United States, or would establishing English as the official language be a rebuff to speakers of other languages and a handicap to the work of government? Such questions tap into much broader issues and feelings about immigrants, integration, and national character.

An Unfinished Nation
Past immigration flows to the United States resemble waves, with the number of immigrants increasing to peak levels and then falling into troughs. The fourth wave of U.S. immigration, which began in 1965, has resulted in the admission of a million immigrants a year, plus several hundred thousand illegal migrants. Many Americans want the federal government to take steps to reduce immigration, so that in historical perspective the current period would be the peak of the fourth wave. Others are comfortable with current levels of legal immigration, although most want more done to reduce illegal migration.

The United States is a nation of immigrants that first welcomed virtually all newcomers, later excluded certain types, and since the 1920s has limited the number of immigrants. Immigrants and refugees arrive through America’s front door, which was opened wider in 1990 to accommodate more relatives of U.S. residents and more workers desired by U.S. employers. But the fastest growth in entries has been via side and back doors, as nonimmigrant tourists, foreign workers and students, and unauthorized foreigners arrived in larger numbers.

Research on the economic, social, and political effects of immigration does not provide clear guidelines for policy. Overall, immigrants have minor effects—for better or worse—in the huge U.S. economy and labor market. Most immigrants are better off financially in America than they were at home, even though many arrive with little education and find it hard to climb the American job ladder. State and local governments, meanwhile, point out that the taxes paid by immigrants go mostly to the federal government, while state and local governments bear the brunt of the costs of providing services to them.

Historically, most immigrants did not become naturalized citizens, choosing instead to live in the United States but retain their original nationality. The propensity...
sity to seek citizenship has increased since 1990, reflecting a number of factors, including stricter eligibility rules for welfare programs and federal programs to encourage naturalization. U.S.-born children are citizens at birth, regardless of the legal status of their parents.

Immigrants are often isolated from native-born Americans, as they were a century ago when most Americans lived on farms and the immigrants crowded into cities. Immigrant isolation in the 21st century is reinforced by the fact that many newcomers live and work in different places than U.S. citizens, and often do not speak English. However, there are many examples of natives and immigrants cooperating to achieve common goals, and signs that immigrant children may be acquiring English faster than did previous generations of immigrants.

The United States is likely to remain the world’s major destination for immigrants. Our history and traditions suggest that, within a few decades, most of today’s immigrants will be an integral part of the American community, albeit a changed community, as the immigrants change and America changes to accommodate them. Past success integrating immigrants does not, however, guarantee that history will repeat itself. As the nation searches for a durable immigration policy, the United States—and the immigrants who are on their way here—are on a journey to an uncertain destination.

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