

New report feeds dangerous economic myth about North Carolina's undocumented workers

Real research shows that immigration is a net economic boon for the state

RALEIGH -- (Jan. 26, 2008) -- A new report from a national anti-immigrant group claims that undocumented North Carolina workers are a drain on the state's economy -- but experts say the report ignores economic realities, has been thoroughly debunked by comprehensive research, and is a counterproductive attempt to blame a minority group for North Carolina's shared budget problems.

"To scapegoat undocumented workers as the source of our state's budget crisis is not only shameful, it ignores the facts," said Dani Martinez-Moore, coordinator of the North Carolina Justice Center's network of immigrant advocates. "Every bit of credible research shows that undocumented immigrants contribute significantly to the economy, far outweighing the cost of any services they might use."

The report, released this month by the far-right Federation for American Immigration Reform, argues that North Carolina spends too much on education, health care and other social services for undocumented workers. But examining only expenditures without economic contributions is unfair, budget analysts say.

"The focus on fiscal or budgetary impacts ignores economic realities -- it considers costs without contributions," said John Quintero, research associate with the NC Justice Center's Budget & Tax Center. "If we applied this standard to other groups, it would look like no group in North Carolina makes a positive economic contribution."

For example, the report fails to consider consumer spending by undocumented workers, which research has repeatedly shown generates a net positive economic contribution. Wage earners put their pay back into the economy through spending, which in turn becomes the income of others and drives job creation and economic growth. Undocumented workers pay taxes and contribute consumer spending just as native-born North Carolinians do.

FAIR's report is also misguided in its criticism of public spending on education and health care, experts say. Far from undermining the economy, infusing

schools and health care facilities with capital is exactly what North Carolina needs in a time of recession.

"Making investments in North Carolina's people -- immigrant and native-born -- is the best possible strategy for our state's economic and social well-being," said Elaine Mejia, director of the NC Justice Center's Budget & Tax Center. "Investing in education and making sure our population is healthy more than pays for itself in the long run. Besides creating jobs, it develops a work force more prepared for the challenges of the future."

A study led by James H. Johnson Jr., distinguished professor of entrepreneurship at UNC-Chapel Hill, found that immigrants contribute significantly to the economy. As Johnson wrote in the Raleigh News & Observer last year:

"Elected officials and political aspirants fan the flames of the debate by proposing their own ideologically based solutions to illegal immigration. The debate is long on political rhetoric and short on accurate information. ... Hispanics contributed \$9.2 billion to the state's economy through their purchases and taxes -- \$15,130 per Hispanic resident -- in 2004. Hispanics' cost to the state budget for health care, education and corrections was \$817 million -- \$1,359 per Hispanic resident. For every dollar invested in essential services, the state received \$11 in revenue and taxes from Hispanics in 2004. Immigrant economic impact studies conducted in Arkansas and Arizona yielded similar results."

(<http://www.newsobserver.com/opinion/columns/story/1130267.html>):

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