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Director-Designate Tanden, Chair-Designate Rouse, Mr. Zients, and Director Deese,

As professional economists and scholars in related fields, we know full well how important it is for the country and the American people that the Biden Administration successfully tackles the ongoing COVID-19 public health and economic crises. Treasury Secretary Janet Yellen says that to avoid a slow and protracted recovery and protect workers and communities most harmed over the past 12 months, the country must "act big." That is why we are writing today to encourage you to consider the economic, fiscal, and public policy rationales behind including in the president's forthcoming economic recovery and jobs plan a provision that offers a pathway to citizenship to undocumented individuals—particularly those working in jobs deemed essential to the country's critical infrastructure during this pandemic and their families, as well as Dreamers and people with Temporary Protected Status. Such a policy would increase wages and productivity throughout the U.S. economy, create jobs, generate additional tax revenue, strengthen worker protections for immigrant and native workers alike, and lift many families out of poverty.

There are today an estimated 10.4 million undocumented immigrants in the country, <u>5 million of whom</u> are working in essential occupations and industries. Through their work they are keeping Americans healthy, safe, and provided for in the midst of the unprecedented COVID-19 pandemic—and they are doing so at great personal risk to themselves and their families. Offering them the chance to earn citizenship will help to ensure that the economic recovery reaches all corners of society, including those that have disproportionately been on the frontlines of the pandemic and yet left out of prior relief bills, and establishes a more stable and equitable foundation on which future economic success can be built.

Prior research by the <u>U.S. Department of Labor</u> and independent academic analyses demonstrate that granting legal status raises the wages of beneficiaries by, in the short run, allowing them to get jobs better matched to their skills and to, in the long run, invest more fully in themselves by pursuing additional education, obtaining occupational and professional licensure, and the like. In 2014, the <u>Migration Policy Institute</u> concluded that providing temporary protection from deportation and work authorization to the intended beneficiaries of the Obama administration's Deferred Action for Parents of Americans (DAPA) initiative, would have lifted a sizable number of families out of poverty. A <u>White House Council of Economic Advisers</u> analysis of DAPA and other reports authored by economists examining proposals to provide permanent

immigration protections and a path to citizenship to various categories of undocumented immigrants, have concluded that beyond the wage gains of program beneficiaries, legalization would increase the average wages of all Americans.

Economists broadly agree that providing work authorization to undocumented immigrants would also increase federal, state, and local tax revenue and increase both federal and state gross domestic product (GDP). The policy would also strengthen the finances of both Social Security and Medicare by providing them with significant additional tax revenues now, when it is needed, with current workers collecting benefits several decades from now, after the cluster of Baby Boomer beneficiaries is past. Because economists have found additional positive wage effects that accrue from citizenship beyond those that result from work authorization alone, the magnitude of the economic and fiscal impacts that would be expected to occur from a legalization program would depend on the number of beneficiaries and the amount of time it would take for people to obtain citizenship; in general, the larger the population and the quicker the path the more immediate and greater the gains.

For instance, a 2013 study by the <u>Center for American Progress</u> found that providing legal status and a path to citizenship to 11 million undocumented immigrants would, over a ten-year period, generate a cumulative increase in GDP ranging from \$832 billion to \$1.4 trillion and a cumulative increase in the income of all Americans ranging from \$470 billion to \$741 billion. Additionally, over that period, between 121,000 and 203,000 new jobs would be created each year and state and federal taxes paid by previously undocumented immigrants would increase by between \$109 billion and \$184 billion. A 2019 paper in the <u>IZA Journal of Labor Policy</u> found that legalizing an estimated 3 million Dreamers could increase GDP by 0.10% (or \$21 billion annually), which could be substantially higher if legalization incentivizes some of the beneficiaries to increase their educational attainment.

Particularly at a time when millions of Americans are out of work, it is important to consider how policies will affect worker protections. Studies show that undocumented immigrants are frequently unwilling to complain about workplace violations even as they are at heightened vulnerability to discrimination and abuse, poor wages, and sub-standard working conditions, all of which also harm American workers. As work authorization and permanent legal status would empower these individuals to fully enforce their rights guaranteed by labor laws, the benefits would level the playing field for workers and businesses and improve the circumstances for all workers, regardless of their background.

Creating a path to citizenship for millions of aspiring Americans pays dividends not only for them and their families, but for our broader communities. The COVID-19 pandemic has made plain how our public health and economic fates are inextricably tied together, and how harmful shortcomings in one part of our economy affect us all. The inverse is also true: conferring citizenship will bring expansive benefits to communities across the country, not only for the individuals directly affected, but for the larger systems—families, and the workforce—that they comprise. We hope you will consider including this as a sensible and long overdue policy intervention that can help to ensure that the country's economic recovery is as big and equitable as it needs to be to meet the challenges we face.

Sincerely,

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