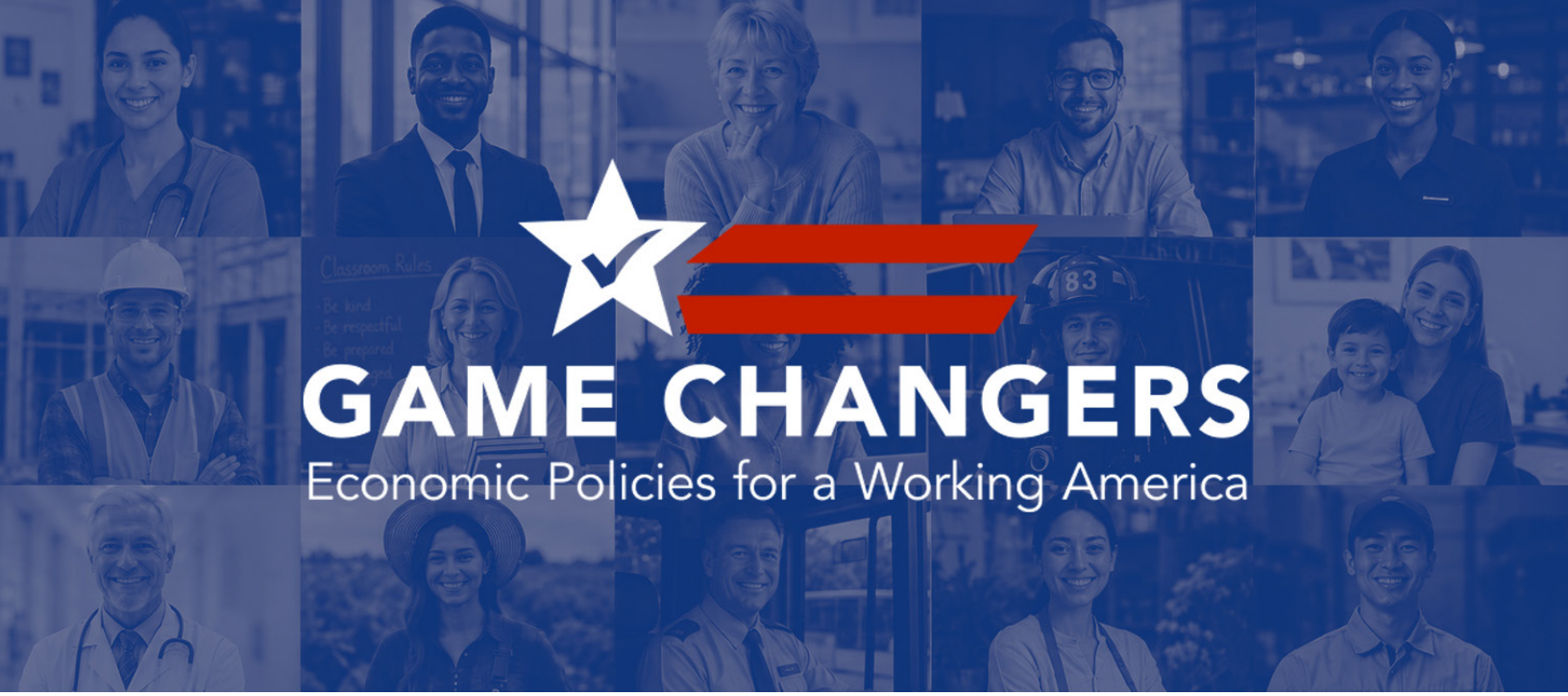

BACKGROUND PAPER / JULY 2026

The Wealth of Welcome:

Immigration Reform that Works for America

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THE WEALTH OF WELCOME:
Immigration Reform that Works for America

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Introduction

While immigration is a central driver of U.S. economic growth, labor force expansion, and demographic sustainability, restrictive legal pathways and enforcement-centered policies prevent millions of workers from fully contributing to the economy. One important reason for the policy stalemate – why the empirical findings do not always convince policy makers to fix what many label a "broken system" – is that immigration policy is not just an economic phenomenon in terms of its causes or its impacts.

Indeed, rational debates about immigration's positive or negative impacts are generally overwhelmed by a sense of anxiety about the changing nature of a host society. The current blockage on sensible immigration and immigrant policy – and the current regime of excess enforcement – is driven by xenophobia and racial unease, in part triggered by the fact that the U.S. is slated to become majority people of color by the middle of this century.

Any policy package will have to insist that we confront the economic reality that the U.S. needs immigrants, particularly in light of demographic change. It will have to deal with the certainty that climate change abroad will continue to push migrants – often families in distress and need – to the U.S. And it will have to be clear that to resolve what can be technical issues about the flows of people and the nature of settlement, we must confront the underlying political and social dynamics and work to create a narrative rooted in welcoming and interdependence.

In this policy background paper, we propose to do that by combining three interrelated broad policies that include regularizing undocumented residents currently in the U.S., creating more orderly paths to migrate to the U.S., and supporting immigrant integration at the state and local level. We specifically suggest that the resources needed to accomplish these tasks can be obtained by diverting and repurposing funds from the financial bonanza that was awarded to Immigration and Customs Enforcement (ICE) in the so-called One Big Beautiful Bill (H.R.1 passed in July 2025) and Secure America Act (S.2 passed in June 2026).

We argue that this policy combination – along with a commitment to community organizing to enhance worker power, community-based efforts to build ties between newcomers and long-established residents, and international strategies to promote development and set standards to deter excess investment abroad – can reduce corrosive competition, build community solidarities, and tip the balance of power. After all, we currently live in an era in which we are taught to blame our economic difficulties on those alongside us rather than those above; key to shifting that dynamic and targeting the true source of our difficulties is offering a new and comprehensive approach to immigration and immigrant inclusion.

To do this, we will need to insist on a narrative that lifts up the wealth of welcome. After all, immigration has been central to our vitality: immigrants – past, present, and future – are fundamental to this nation's strength and continued success. Even as immigrants face unjust vilification and scapegoating, the truth remains that this nation's strength has always rested on the contributions of immigrants – from those who came before, those who are here today, and those yet to arrive. What complementary policies must be enacted to facilitate the inclusion of all immigrants already in the U.S. today while preparing the U.S. for the next generation of immigrants?

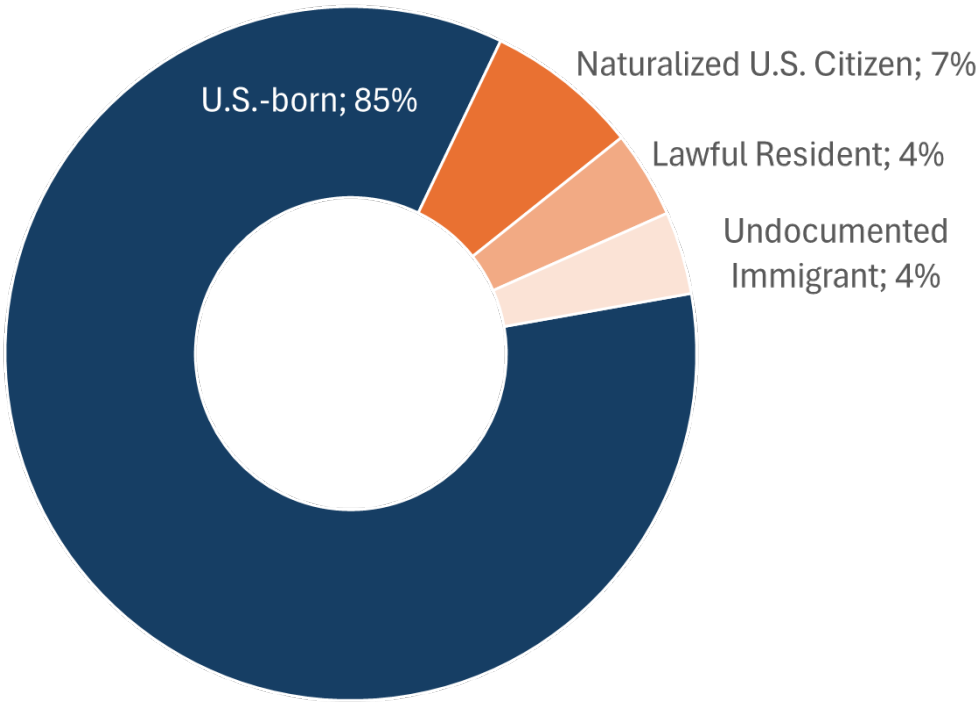
We begin below with a grounding in the data, stressing the diversity of the immigrant population and the complexity of their lived experiences. We then turn to our three-part game changer framework,

which integrates the regularization of undocumented immigrants, expanding orderly programs for future flows of immigration, and supporting immigrant inclusion at state and regional levels. In each strand of our proposed game changer, we discuss the problem, past failures, details of the proposed policy, and economic rationale. We conclude with final thoughts on the importance of economically sound and socially inclusive immigration policies, emphasizing how a multitier and multi-prong policy approach is needed to tackle the evolving landscape of immigration in the U.S.

Data Grounding

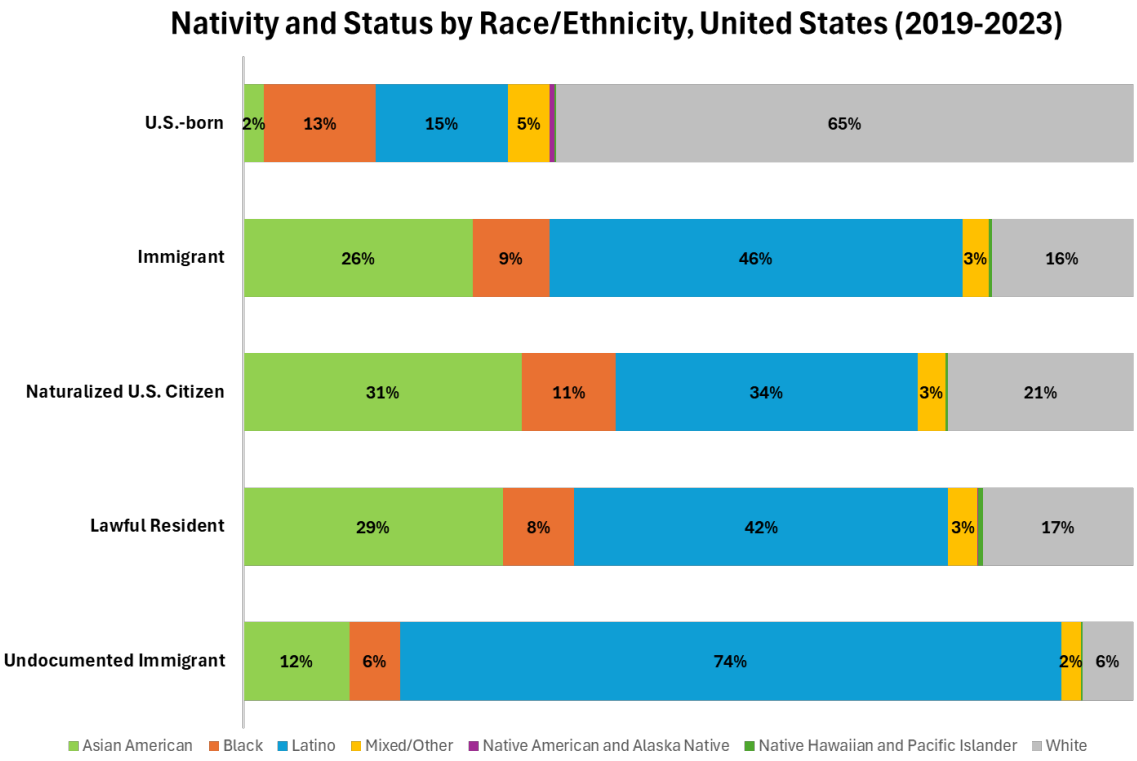
Approximately 15% of the U.S. population is foreign-born, and this population hails from diverse backgrounds and comprises diverse statuses. Among immigrants in the U.S., more than 24 million are naturalized citizens, nearly 14 million are lawful residents who have yet to naturalize, and nearly 13 million are undocumented. The variety and complexity of immigration statuses – and how they are associated with certain (dis)advantages and privileges – can create diverse challenges for the nation's immigrants, their families, and their communities.

Population by Nativity and Status, United States (2019-2023)



Source: USC Equity Research Institute analysis of the 2019-2023 5-year American Community Survey.

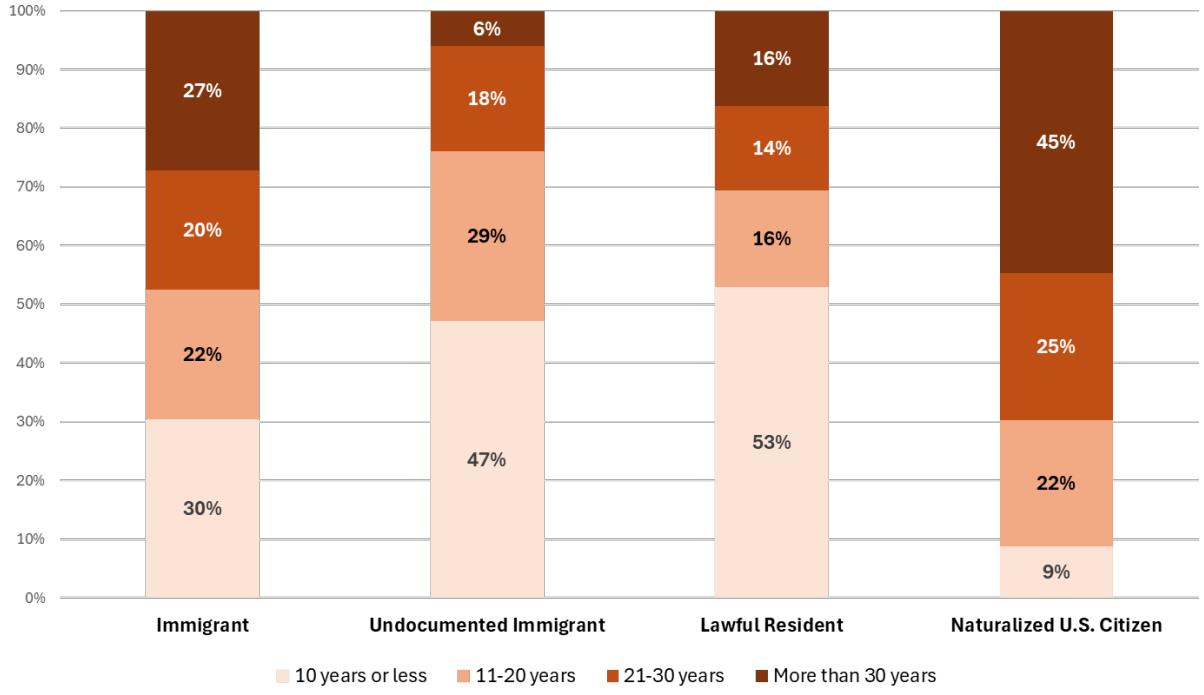
The U.S. has long been a popular destination for immigrants from around the world seeking opportunities, refuge, and the American dream. In comparison to the U.S.-born population, the U.S. immigrant population is vastly more diverse by race/ethnicity: 46% Latino, 26% Asian American, 16% White, 9% Black, and 3% mixed/other. There is also notable racial/ethnic diversity when disaggregating by status. Latinos (34%) and Asian Americans (31%) make up approximately two-thirds of naturalized U.S. citizens. Among lawful residents, which includes permanent residents and long-term visa holders, 42% are Latino, 29% are Asian Americans, 17% are White, 8% are Black, and 3% are mixed/other. Though Latinos (74%) comprise the majority of the undocumented immigrant population in the U.S., Asian Americans (12%), Black (6%), and White (6%) are notably also part of this vulnerable population.



Source: USC Equity Research Institute analysis of the 2019-2023 5-year American Community Survey.

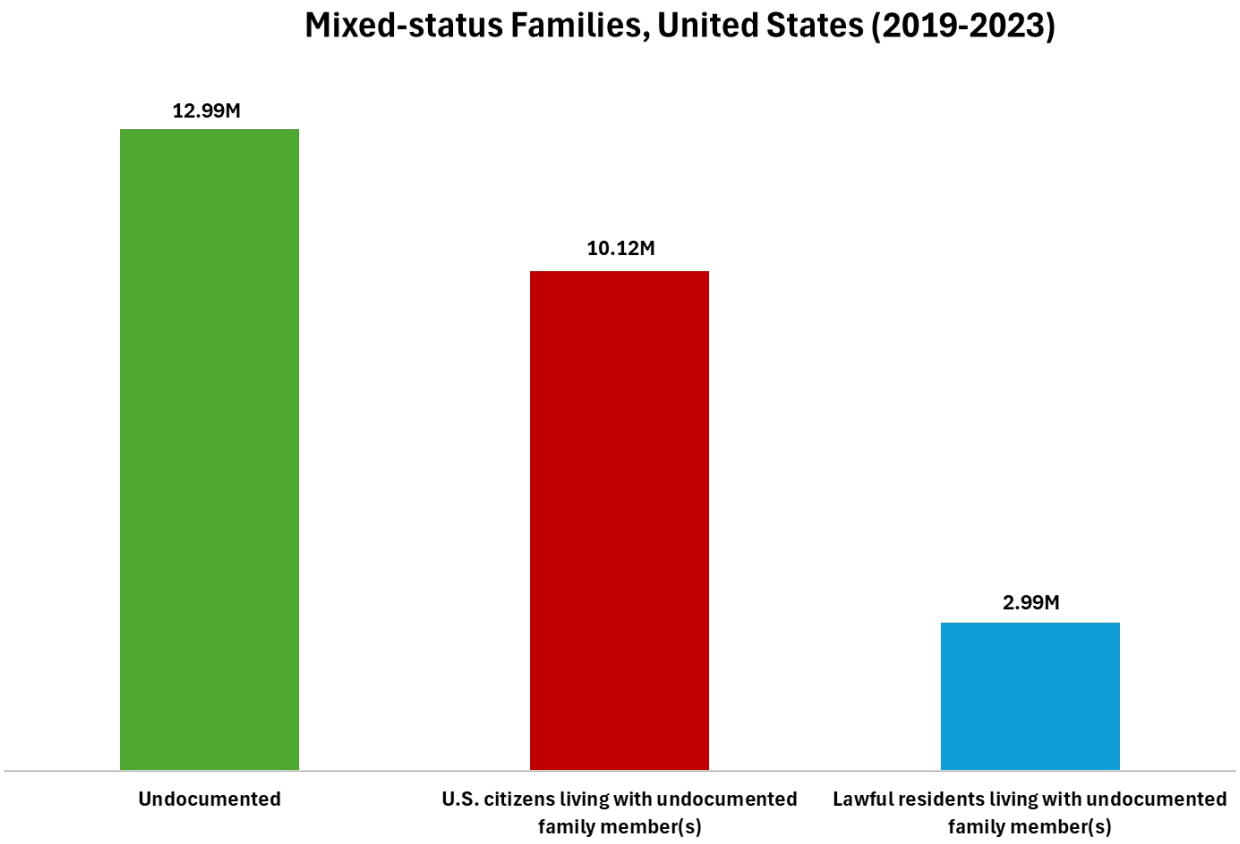
The U.S. continues to be home to large communities of both new and long-settled immigrants: 30% arrived in the U.S. 10 years or less ago, 22% 11-20 years, 20% 21-30 years, and 27% have been in the U.S. for more than 30 years. Disaggregating recency of arrival by immigration status reveals additional patterns. Not surprisingly, nearly half of naturalized U.S. citizens have been in the U.S. for more than 30 years – a sign of placing roots, civic integration, and indicative of how the length of residency affects eligibility and likelihood of naturalization. Though a sizable share of undocumented immigrants arrived in the U.S. 10 years or less ago, the majority have been in the country for more than a decade and have established families and networks.

Percent of Immigrants by Recency of Arrival and Immigration Status, United States (2019-2023)



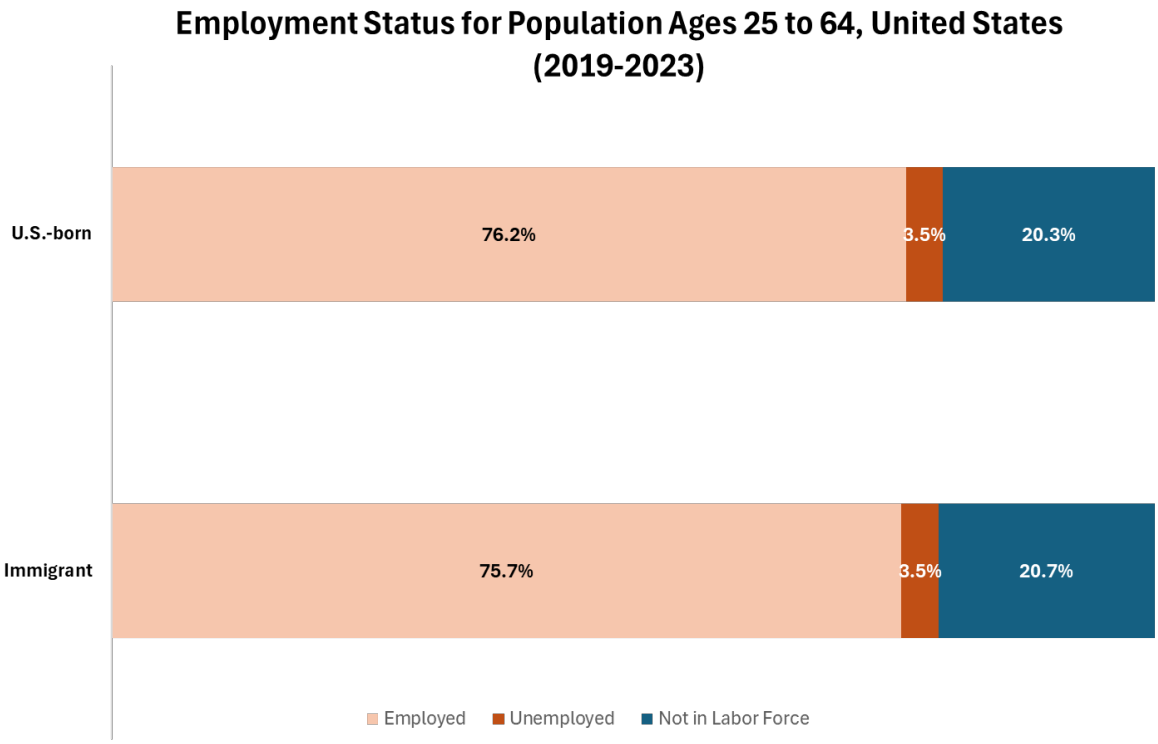
Source: USC Equity Research Institute analysis of the 2019-2023 5-year American Community Survey.

Many Americans live in households with family members who have different citizenship or immigration statuses. More than 10 million U.S. citizens and nearly 3 million lawful residents are estimated to live in mixed-status families. With nearly 13 million undocumented immigrants, this means that nearly 8% of the U.S. population are either undocumented themselves or live with a family member who is. These mixed-status families face different challenges in their integration and inclusion, including the ripple effects of deportation threats.



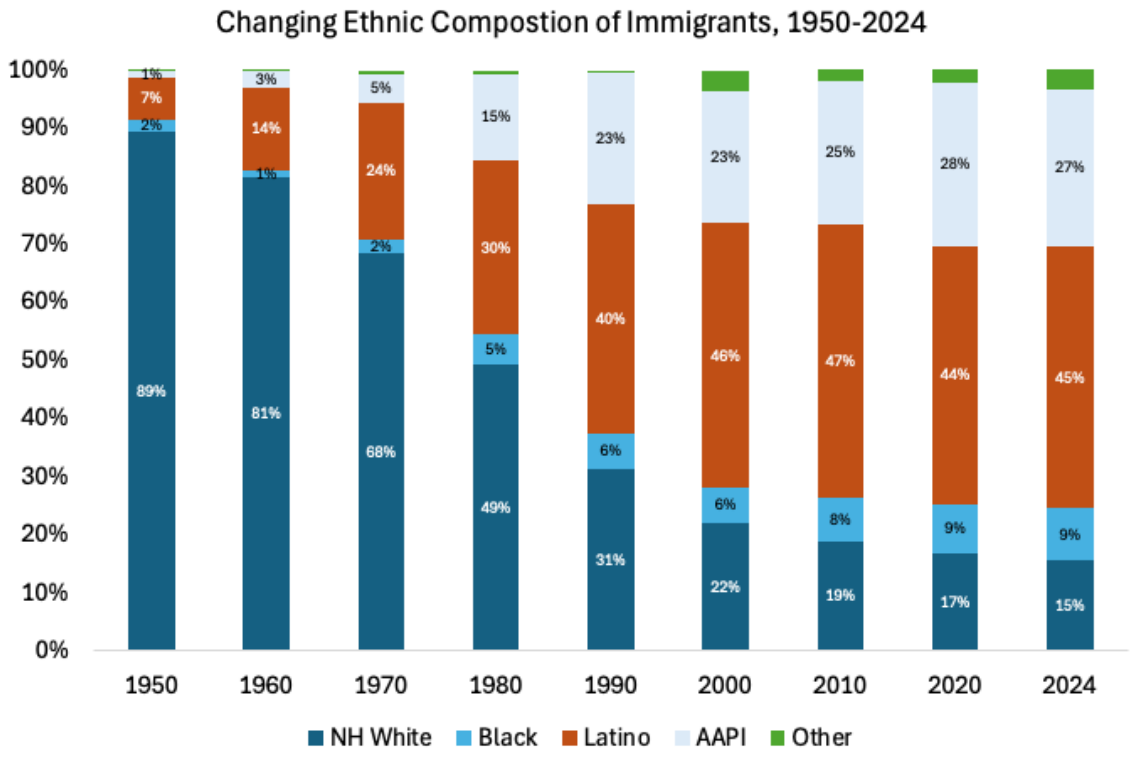
Source: USC Equity Research Institute analysis of the 2019-2023 5-year American Community Survey.

Importantly, immigrant workers comprise a large share of the U.S. workforce. Among the working-age population (ages 25 to 64), at an estimated 28.6 million people, immigrants make up more than 20% of the labor force despite making up a smaller share of the total population. Participation in the labor force among immigrants may be even higher, as census data undercounts immigrants who work in the informal sector. Immigrants and the U.S.-born population have similar rates of employment, unemployment, and labor force participation.



Source: USC Equity Research Institute analysis of the 2019-2023 5-year American Community Survey.

Examining the changing ethnic composition of immigrants, it is clear that the immigrant population in the U.S. is becoming less white and more people of color. In 1950, nearly 9 in 10 immigrants were non-Hispanic White. Thirty years later, not surprisingly, we see a diversifying immigrant population after changes in immigration laws repealed restrictive laws of the 1900s (e.g., Immigration Act of 1917 (Asiatic Bar Zone) and the 1924 Immigration Act (Johnson-Reed Act)), namely the 1965 Immigration and Nationality Act and the 1975 Indochina Migration and Refugee Assistance Act. By 1980, the majority of the immigrant population was no longer non-Hispanic White. By 1990, Latinos made up the plurality of the immigrant population at 40%. Since the 1950s, the U.S. has seen a significant growth in the number of Latino and Asian immigrants, with a more moderate increase in the Black immigrant population. This shift in the racial/ethnic makeup of immigrants is important in understanding the fear mongering and anxiety that has undergirded why immigration and immigrant inclusion policies have been stalled in recent years.



Source: USC Equity Research Institute analysis using IPUMS SDA system.

Despite the often heated politics around immigration, polling data show that the time is ripe for progressive immigration policies. Results from a June 2025 Gallup Poll showed that the share of Americans who want less immigration is at 30%, which is notably down from 55% just a year prior. The same poll found that a record 79% of Americans now view immigration as a good thing for the country – including a record-high 91% of Democrats, 80% of Independents, and 64% of Republicans, the latter marking a dramatic rise from under 40% just a year prior.

Despite the growing public support for immigration in the U.S., the recent and current administrations have been carrying out restrictive immigration policies and anti-immigrant practices that have been consequential to migration patterns and unpopular among the public. A 2025 Gallup Poll and analysis found that there is a declining desire among potential migrants to move to the U.S. American appeal among global would-be migrants has steadily eroded. Gallup data shows that 15% of adults worldwide who wish to emigrate permanently now prefer the U.S. – down from a peak of 24% in 2007-2009, near 20% through 2016, and around18% since 2017, marking the lowest level in the survey's nearly two-decade history.

The demographic and public polling data grounds our three-part game changer policy and our argument that the path forward on immigration requires a proactive, comprehensive framework built around what actually works. For too long, policymakers have treated immigration as a problem to contain (e.g., costly and damaging border policies) rather than a force to leverage, leaving millions of undocumented people in legal limbo, future immigrants with no viable legal pathway, and receiving communities without the resources to integrate newcomers effectively.

That approach has failed economically, politically, and morally. With immigrants contributing $580 billion annually in taxes, bringing in job opportunities through businesses and startups, and filling critical labor gaps in agriculture, construction, and care, the question is not whether America needs immigration but how we can build on immigration to ensure shared prosperity for all Americans. A three-part comprehensive immigration package – regularizing the undocumented people already woven into the fabric of our communities, expanding orderly and accessible legal pathways for future immigrants, and investing in state and regional inclusion efforts – is not a progressive wishlist. It is a functional response to economic and demographic realities. As data and research shows, the alternative is already playing out: rising food prices, labor shortages, and an economy losing the very people it needs to grow and sustain its vitality.[1] We can continue down that road, or we can build a system that works and offers dignity to the immigrants who have contributed to the U.S. – past, present, and future.

Regularize Undocumented Residents Currently in the United States

The Problem

Currently, different sources estimate that there are 13 to 14 million undocumented individuals residing in the U.S., the majority of whom are people of color, with no pathway to regularize their immigration

[1] Escobari, M., Seyal, I., & Beach, P. (2026, May 29). *Shock, awe, and economic fallout: The employment effects of ICE enforcement in U.S. cities*. Brookings Institution. https://www.brookings.edu/articles/ice-enforcement-employment-effects-us-cities/; FWD.us. (2026, May 20). *Prices for all Americans are set to unnecessarily rise under recent and proposed immigration policies impacting the U.S. labor force*. https://www.fwd.us/news/new-immigration-policies-will-increase-prices-for-americans/; National Immigration Forum. (2026, January 30). *U.S. workforce challenges: How immigration enforcement is impacting the American economy*. https://forumtogether.org/article/u-s-workforce-challenges-how-immigration-enforcement-is-impacting-the-american-economy/; Estep, S., & Andara, K. (2026, March 6). *Immigrants make the labor market great: Analysis of the February 2026 jobs day release*. Center for American Progress. https://www.americanprogress.org/article/immigrants-make-the-labor-market-great/

status.[2] Many of these individuals are long-term residents who pay taxes, raise families, and work in industries essential to the U.S. economy. Yet they remain vulnerable to deportation, labor exploitation, and exclusion from full participation in our economy and civic institutions. The continued absence of a regularization program with a pathway to citizenship disproportionately affects Latino, Black, and Asian immigrant communities and contributes to structural racism by maintaining a system in which millions of people of color live and work in the U.S. without access to the full rights and protections of permanent lawful status and citizenship.[3] At the same time, the current system serves the interests of industries that benefit from a vulnerable workforce – one with limited power to demand fair wages and safe working conditions, or to change employers.

Meanwhile, decades of expanding immigration enforcement have not significantly reduced the undocumented population but have instead imposed substantial costs on immigrant families and communities. The One Big Beautiful Bill Act allocates an additional $11.25 billion annually for ICE detentions alone, resources that could instead support a regularization program that research suggests would generate substantial net benefits for immigrants, their families, and the U.S. economy.[4] A citizenship-centered regularization program is, therefore, not only a more humane and moral path but also an economically rational one.

Why an Enforcement-centered Approach Fails

Discussions of immigration reform often frame regularization primarily in terms of its potential costs, typically focusing on the fiscal and labor market implications of granting lawful permanent residence to undocumented immigrants. However, a large body of economic research finds that the impact of immigration on non-immigrant wages is small or near zero, as immigrants are absorbed into the economy through adjustments made by firms and other workers. Firms respond to increased immigration by adjusting capital or technology, which allows them to expand production, while non-immigrant workers respond through occupational upgrading and specialization.[5] For undocumented immigration, in particular, research shows that job creation tends to outweigh job competition, contributing to lower unemployment rates among non-immigrant workers.[6]

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[2] Passel, J. S., & Krogstad, J. M. (2025, August 21). *U.S. unauthorized immigrant population reached a record 14 million in 2023*. Pew Research Center. https://www.pewresearch.org/race-and-ethnicity/2025/08/21/u-s-unauthorized-immigrant-population-reached-a-record-14-million-in-2023/; Gelatt, J., Ruiz Soto, A. G., & Bachmeier, J. D. (2025, October). *Changing origins, rising numbers: Unauthorized immigrants in the United States*. Migration Policy Institute. https://www.migrationpolicy.org/research/unauthorized-immigrants-us-2025-fact-sheet

[3] The International Organization for Migration (IOM) defines regularization as "any process or programme through which a state allows non-nationals in an irregular situation to remain lawfully in the country by granting them regular status" (https://publications.iom.int/system/files/pdf/iml_34_glossary.pdf). In this report, we define the term more broadly to refer to a policy that provides lawful permanent resident (LPR) status to undocumented immigrants as well as to individuals who currently hold temporary or conditional protections from deportation, such as Temporary Protected Status (TPS) holders and Deferred Action for Childhood Arrivals (DACA) recipients.

[4] National Immigration Forum. (2025, November 17). *Immigration detention costs in a time of mass deportation*. https://forumtogether.org/article/immigration-detention-costs-in-a-time-of-mass-deportation/; Peri, G., & Zaiour, R. (2021, June 14). *Citizenship for undocumented immigrants would boost U.S. economic growth*. Center for American Progress. https://www.americanprogress.org/article/citizenship-undocumented-immigrants-boost-u-s-economic-growth/; Bansak, C., & Pearlman, S. (2021, May). *The impact of legalizing unauthorized immigrants*. IZA World of Labor. https://wol.iza.org/articles/legalizing-undocumented-immigrants/long

[5] Peri, G. (2014). Do Immigrant Workers Depress the Wages of Native Workers? IZA World of Labor, Evidence-Based Policy Making. Washington D.C., May, 1-10.

[6] Albert, C..(2021). The Labor Market Impact of Immigration: Job Creation versus Job Competition. *American Economic Journal: Macroeconomics* 13 (1): 35–78.

Given these findings, a more appropriate policy comparison is between the benefits of a regularization program and the costs of the alternative: continued expansion of immigration enforcement. The key policy question is therefore not simply whether the U.S. can afford to regularize the undocumented population currently residing in the U.S. but whether continuing to rely on costly enforcement efforts to remove undocumented immigrants is a more effective or economically sustainable approach. Below, we examine evidence demonstrating that enforcement strategies have generated substantial monetary and non-monetary costs while delivering limited policy benefits, contributing to past policy failures.

Limited Reduction in Undocumented Immigration Despite Rising Enforcement Costs

Over the last few decades, the U.S. has resisted regularizing undocumented immigrants, instead opting for militarizing its borders and adopting restrictive policies that police and disenfranchise undocumented residents from fully participating in society.[7] Between 2003 and 2024, spending on Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) more than tripled from $9.2 billion to $29.2 billion.[8] The One Big Beautiful Bill Act, passed in 2025, allocates an additional $170 billion over four years for border and interior enforcement, the largest portion of which is directed at ICE arrests, detention, and deportation.[9] In 2026, the Secure America Act was passed and allocated nearly $70 billion in new funding for detention and mass deportation.[10] Spending on immigration enforcement now exceeds the annual budget for all local and state law enforcement agencies in the U.S.[11] Despite the escalating spending, these measures have failed to end streams of undocumented immigration, largely due to policy failures related to limiting legal immigration pathways.

Removing Immigrant Workers Disrupts Labor Markets

For immigrants who lack lawful permanent status, their contribution to the economy is constantly under threat, such as through increased immigration enforcement and limited options for work visas.[12] Such targeted attacks have rippling effects that lead to measurable negative impacts. As one study finds, targeting undocumented immigrants not only reduces employment among undocumented immigrants but also has spillover effects on lawful and citizen counterparts' employment, further disrupting

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[7] National Immigration Forum. (2025, November 17). *Immigration detention costs in a time of mass deportation*. https://forumtogether.org/article/immigration-detention-costs-in-a-time-of-mass-deportation/; American Immigration Council. (2025, February 25). *New data: Immigrants keep economy strong, as Congress considers wasting billions on mass deportation*. https://www.americanimmigrationcouncil.org/press-release/immigrants-keep-economy-strong-as-congress-debates-mass-deportation/

[8] American Immigration Council. (2025, January). *The cost of immigration enforcement and border security*. https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/cost_of_immigration_enforcement_factsheet_2024.pdf

[9] O'Herron, M. (2025, August 13). *Big Budget Act creates a "deportation-industrial complex"*. Brennan Center for Justice. https://www.brennancenter.org/our-work/analysis-opinion/big-budget-act-creates-deportation-industrial-complex

[10] Altman, H. and D'Avanzo, B. (2026, June 11). What's in Congress's New ICE Funding Law? National Immigration Law Center. https://www.nilc.org/articles/whats-in-congresss-new-ice-funding-law/

[11] O'Herron, M. (2025, August 13). *Big Budget Act creates a "deportation-industrial complex"*. Brennan Center for Justice. https://www.brennancenter.org/our-work/analysis-opinion/big-budget-act-creates-deportation-industrial-complex

[12] Bay Area Council Economic Institute. (2025, June). *The economic impact of mass deportation in California*. https://www.bayareaeconomy.org/files/pdf/EconomicImpactOfMassDeportation-June2025.pdf

markets.[13] At the same time, undocumented immigrants make large contributions as workers, taxpayers, and consumers. Large-scale deportation imposes high costs on states such as California, which is home to a large population of undocumented immigrants, as well as the broader U.S. economy.[14]

Beyond these employment effects, immigration enforcement also impacts wages and working conditions across industries. Research shows that enforcement places downward pressures on wages in multiple industries, including construction, agriculture, and the service industry.[15] Because undocumented workers risk deportation if they report labor violations, their labor market bargaining power is limited. This allows employers to pay lower wages and apply downward pressure on wages across entire sectors, affecting all workers – undocumented, immigrant, and non-immigrant workers. Research suggests that removing undocumented workers does not reverse this dynamic. One study found that the deportation of 454,000 undocumented workers between 2008 and 2015 reduced the employment share of non-immigrant workers by 0.5% and lowered their hourly wages by 0.6%, as job losses among complementary workers and reduced local consumer spending outweighed any potential wage gains.[16]

State-level enforcement efforts illustrate the limits of an enforcement-centered approach. Alabama's 2011 immigration law, HB 56, was designed to encourage undocumented immigrants to leave the state through aggressive enforcement measures. After the law was implemented, thousands of Latino workers, including undocumented immigrants, left jobs in agriculture, poultry processing, landscaping, construction, and service industries. Employers were unable to find non-immigrant workers to replace them, and there was little evidence that unemployed Alabamians filled the jobs that immigrants left. Employers struggled with labor shortages, and some businesses attempted to recruit workers from Haiti, Eritrea, Puerto Rico, and Asian countries with legal documentation.[17] Alabama's experience illustrates how enforcement strategies that seek to remove undocumented workers from local labor markets often fail to replace that labor while imposing substantial economic costs on employers, communities, and families. The legislation also illustrates how immigrant enforcement policies can reinforce and perpetuate racial inequality, hurting communities across communities and states regardless of political leaning. Courts later found evidence that the law had been adopted with discriminatory intent towards Latinos.[18]

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[13] East, C. N., Hines, A. L., Luck, P., Mansour, H., & Velásquez, A. (2023). The labor market effects of immigration enforcement. *Journal of Labor Economics*, *41*(4), 957-996.

[14]Bay Area Council Economic Institute. (2025, June). *The economic impact of mass deportation in California*. https://www.bayareaeconomy.org/files/pdf/EconomicImpactOfMassDeportation-June2025.pdf

[15]Hinojosa-Ojeda, R. (2010, January). *Raising the floor for American workers: The economic benefits of comprehensive immigration reform*. Center for American Progress & American Immigration Council. https://immigrationpolicy.org/sites/default/files/docs/Hinojosa%20-%20Raising%20the%20Floor%20for%20American%20Workers%20010710.pdf; Cravino, J., Levchenko, A. A., Ortega, F., & Pandalai-Nayar, N. (2026). *The Economic Impact of Mass Deportations* (No. w34790). National Bureau of Economic Research.

[16]https://carsey.unh.edu/sites/default/files/media/2024-08/economic-impact-mass-deportation-lit-review.pdf

[17] Mohl, R. A. (2016). The Politics of Expulsion: A Short History of Alabama's Anti-Immigrant Law, HB 56. *Journal of American Ethnic History*, *35*(3), 42–67termination.

[18]Tumlin, K., & Irwin, R. (2012, August). *Racial profiling after HB 56: Stories from the Alabama hotline*. National Immigration Law Center. https://media.nilc.org/wp-content/uploads/2016/02/Alabama-Stories-2012-08-23_final.pdf

These labor market dynamics illustrate how immigration policy and enforcement interact to produce labor market vulnerability for undocumented workers. Restrictive legal pathways leave many immigrant workers with no or little protection from deportation, while enforcement practices expose immigrant communities to heightened surveillance. This sustains a low-wage workforce with limited bargaining power.

Immigration Enforcement Reinforces and Exacerbates Racial Inequality

Black immigrants face a disproportionate enforcement burden. Although they represent about 5% of the undocumented population, they account for roughly 20% of immigrants facing removal based on criminal convictions.19 Racial disparities in traffic stops, arrests, and convictions within the criminal justice system can feed directly into immigration enforcement when federal immigration authorities partner with local law enforcement. As a result, higher rates of deportation among Black immigrants can separate families and destabilize communities. Racial disparities in enforcement also impact labor market outcomes because workers facing a heightened risk of detention and deportation are less likely to challenge unsafe working conditions or wage violations.

Racially disparate economic consequences extend beyond the undocumented population to immigrants with temporary protected status (TPS). Research shows that Salvadoran TPS holders earned approximately $6,000 more annually and were 7.8 percentage points more likely to own a home following TPS designation.[20] Yet, TPS remains vulnerable to political reversal, as recent efforts to terminate designations demonstrate.[21] These actions erase the economic gains. Because TPS populations are disproportionately Latino and Black, the economic consequences of termination fall on historically marginalized communities of color.

Enforcement Destabilizes Families and Communities

Immigration enforcement extends beyond the individuals directly targeted, destabilizing families and communities. When a parent is detained or deported, children face immediate disruptions to their caregiving arrangements, often left in the care of siblings, extended family, or the foster care system. At the same time, households lose income sharply and without warning, pushing many households into poverty.[22] These consequences fall heavily on U.S.-born children, who have a legal right to remain in the country but bear the immediate economic and caregiving costs of enforcement actions against their parents and caregivers. The effects may be particularly severe for Black immigrant families, who experience disproportionately high rates of detention and deportation relative to their share of the

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[19] Black Alliance for Just Immigration. (2025, May). *Lock us up. Keep us out.: The first 100 days*. https://baji.org/wp-content/uploads/2025/05/BAJI-First-100-Days-2025.pdf; Sanchez-Lopez, A., Pastor, M., Sanchez, V., Ndugga-Kabuye, B., & Lipscombe, C. (2018, September). *The state of Black immigrants in California*. Black Alliance for Just Immigration & USC Center for the Study of Immigrant Integration. https://baji.org/wp-content/uploads/2020/03/SOBI_Cali-report_final-9.14.pdf

[20] Harris, J. M., & Jerch, R. (2025). The long-run effects of temporary protection from deportation. Journal of Policy Analysis and Management, 44, 151–182.

[21] American Immigration Council. (2026, March 13). *Prolonged limbo for Haitian TPS holders: What recent court decisions mean*. https://www.americanimmigrationcouncil.org/blog/haiti-tps-what-recent-court-decisions-mean/

[22] Kerwin, D., & Warren, R. (2017). *Mass deportations would impoverish US families and create immense social costs*. *Journal on Migration and Human Security, 5*(1), 1–8. https://cmsny.org/publications/mass-deportations-impoverish-us-families-create-immense-costs/

undocumented population. For these families, enforcement-driven family separation compounds existing racial disparities.

Enforcement also generates broader community-level consequences. Research shows that workplace raids and deportations produce chilling effects in which families, including those with U.S.-born children, withdraw from schools, health systems, and social services out of fear that engagement with public institutions could trigger deportation.[23] These effects reduce children's access to health care, education, and nutrition programs critical to their development.

Enforcement Limits Bargaining Power

Industries that rely heavily on undocumented immigrants, such as agriculture, construction, hospitality, and food processing, often benefit from a workforce with limited bargaining power. When workers lack legal status, they face barriers to changing employers, organizing collectively, or reporting labor violations. This legal vulnerability allows firms to maintain lower labor costs than would otherwise be possible, creating incentives to sustain a system that keeps workers in precarious legal status. Additionally, immigration enforcement threatens collective advocacy power that has, in part, relied on immigrants to gain collective bargaining power for workers' rights and wage increases for all.[24]

The evidence suggests that an enforcement-centered approach has imposed substantial economic and social costs while delivering limited reductions in undocumented immigration. This raises an important policy question: does continuing to invest in enforcement represent an efficient use of resources compared to policies that would integrate undocumented immigrants into the formal economy? The next section outlines an alternative approach: a regularization program that provides undocumented immigrants with a pathway to lawful permanent residence and citizenship.

The Game Changer: A Citizenship-Centered Regularization Program

The Immigration Reform and Control Act of 1986 (IRCA) remains the only large-scale regularization program in U.S. history. The program provided a legalization pathway for undocumented residents of the U.S., increasing tax revenue and increasing wages for both previously undocumented workers and non-immigrant workers with whom they compete for jobs.[25] This regularization program granted legal permanent residency to undocumented immigrants in the U.S. at the time, allowing these workers to exit the shadow economy and participate more fully in the labor market.[26]

However, this program was not successfully paired with expanded pathways for legalization for subsequent waves of migrants, which may have diminished the positive effects of this policy.[27] The only

[23] Watson, T. (2014). Inside the Refrigerator: Immigration Enforcement and Chilling Effects in Medicaid Participation. *American Economic Journal: Economic Policy* 6 (3): 313–38.
[24] Milkman, R. (Ed.). (2018). *Organizing immigrants: The challenge for unions in contemporary California*. Cornell University Press.
[25] Ewing, W. (2010, January 7). *New report quantifies benefits of immigration reform to U.S. economy*. American Immigration Council. https://www.americanimmigrationcouncil.org/blog/new-report-quantifies-benefits-of-immigration-reform-to-us-economy/
[26] Bansak, C., & Pearlman, S. (2021, May). *The impact of legalizing unauthorized immigrants*. IZA World of Labor. https://wol.iza.org/articles/legalizing-undocumented-immigrants/long
[27] Cascio, E. U., & Lewis, E. G. (2020, October). *Opening the door: Immigrant legalization and family reunification in the United States* (NBER Working Paper No. 27874). National Bureau of Economic Research. https://doi.org/10.3386/w27874

program enacted since IRCA that has provided any form of protection to undocumented residents, the Deferred Action for Childhood Arrivals (DACA) program, protects undocumented residents who came to the U.S. as children.[28] However, DACA provides no pathway to permanent status or citizenship, and instead shields recipients from removal proceedings and authorizes them to legally work.[29]

In response to the urgent need for immigration policy reform that addresses the social and economic reality of the U.S. economy's reliance on immigration, we propose a regularization program to legalize established undocumented residents. Such a program would act as an economic stimulus that would benefit everyone by growing the economy, expanding the labor market, and increasing the U.S. tax base to fund crucial social welfare programs.[30] For example, nearly two-thirds of undocumented immigrants have been in the U.S. for more than a decade and so are very well-established (and are raising a next generation of U.S. citizens); setting them and their mixed-status families on a path to stability would recognize on-the-ground realities and boost U.S. growth, output, and shared prosperity.[31]

Close to 60% of the undocumented immigration population in the U.S. has no formal deportation protection. The remaining population holds a range of temporary or conditional protections, including asylum seekers with pending cases, humanitarian parolees, border releases waiting to appear in court, victims of crime or violence, those with TPS and DACA recipients.[32] These immigrants live in a precarious legal status subject to political reversal, such as when the current administration announced termination or plans for termination of TPS designation for individuals from several countries.[33] In addition, DACA recipients, despite being long-established members of the U.S. workforce and economy, remain ineligible for federal financial aid and other federal benefits and face an ongoing legal uncertainty that limits their ability to invest in education, homeownership, and career development. This program addresses both undocumented immigrants and those with limited protected status.

The structure of the program rests on two core principles. First, the pathway to citizenship must be a statutory right, not a discretionary benefit. The experience of TPS shows that administrative protections can be revoked. Second, the program must lead to citizenship, not merely LPR status. Programs that grant permanent residence without a pathway to citizenship leave workers in a second-class status and preserve conditions that allow for labor exploitation, the inability to vote, and limited access to public benefits.

Eligibility: Any undocumented immigrant or individual with temporary deportation protection who has resided in the U.S. for at least two years would be eligible to apply for Lawful Permanent Resident (LPR)

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[28] National Immigration Law Center. (n.d.). *DACA*. https://www.nilc.org/work/daca/

[29] KFF. (2025, February 11). *Key facts on Deferred Action for Childhood Arrivals (DACA)*. https://www.kff.org/racial-equity-and-health-policy/key-facts-on-deferred-action-for-childhood-arrivals-daca/

[30] American Immigration Council. (2013, April). *An immigration stimulus: The economic benefits of a legalization program for unauthorized immigrants*. https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/legalization_0.pdf

[31] Kossoudji, S. A., & Cobb-Clark, D. A. (2002). Coming out of the shadows: Learning about legal status and wages from the legalized population. *Journal of Labor Economics*, *20*(3), 598-628; American Immigration Council. (2013, May 7). *Adding it up: Accurately gauging the economic impact of immigration reform*. https://www.americanimmigrationcouncil.org/fact-sheet/adding-it-accurately-gauging-economic-impact-immigration-reform/

[32] Passel, J. S., & Krogstad, J. M. (2025, August 21). *U.S. unauthorized immigrant population reached a record 14 million in 2023*. Pew Research Center. https://www.pewresearch.org/race-and-ethnicity/2025/08/21/u-s-unauthorized-immigrant-population-reached-a-record-14-million-in-2023/

[33] American Immigration Council. (2025, November 21). *Temporary protected status: An overview*. https://www.americanimmigrationcouncil.org/fact-sheet/temporary-protected-status-tps-overview/

status. This would not be a temporary or provisional status; rather it would be full LPR status with all associated rights and protections.

Existing research and frameworks on naturalization and immigrant integration show that it takes time to develop English proficiency, economic stability, and civic familiarity – factors predictive of successful naturalization.[34] As such, pathway to citizenship would be determined by length of residence:

- Immigrants in the U.S. for 10 years or more would be eligible to apply for citizenship within 1-2 years of receiving LPR status.
- Immigrants in the U.S. for fewer than 10 years would be eligible to apply for citizenship within 3-5 years of receiving LPR status.

The program would be administered based on a set of humanitarian guidelines that reflect the realities of undocumented life. In addition, reasonable screens, such as requiring at least two years of residence and/or connection to family already in the U.S., could be put in place.

- **Reasonable fees.** Application costs should be scaled to income, with waivers offered to low-income applicants.
- **Flexible documentation.** Many eligible individuals might not have a continuous formal paper trail because their undocumented status would have restricted them from many of the institutions that generate such records. The program should accept a wide range of evidence, such as tax records filed with Individual Taxpayer Identification Numbers (ITINs), school enrollment records, utility and lease agreements, employer letters, medical records, church records, etc.
- No disqualification for minor offenses. Minor traffic violations, old misdemeanors, and offenses for which individuals have already served their sentences should not prevent regularization.
- Family unity protections. Individuals in the application process for LPR status should not be subject to removal during the process, and immediate family members should also be protected from removal during the application period.

To facilitate this, Congress should rescind most of the approximately $170 billion for Immigration and Customs Enforcement (ICE) under the so-called “One Big Beautiful Bill” ($170 billion) and “Secure American Act” ($70 billion) and repurpose this to Citizenship and Immigration Services to support regularization and screening, as well as activities to promote immigrant inclusion that we highlight below. This shift in resource allocation would be aligned with the increasing public support for pathways to citizenship and the majority of Americans disapproving of the Trump administration’s handling of immigration.[35] Moreover, the revenue generated from those adjusting their statuses can be used to bolster USCIS to expand existing pathways to regularization for future migrants entering the U.S. and eliminate the current backlog of green card applications.

[34] Le, T. V., & Pastor, M. (2023). Family matters: Modeling naturalization propensities in the United States. *International Migration Review*, *57*(4), 1427-1455; Brettell, C. B. (n.d.). *The political and civic engagement of immigrants*. American Academy of Arts & Sciences. https://www.amacad.org/publication/political-and-civic-engagement-immigrants/section/2

[35] Jones, J. M. (2025, July 11). *Surge in U.S. concern about immigration has abated*. Gallup. https://news.gallup.com/poll/692522/surge-concern-immigration-abated.aspx

One potential consequence of a legalization program would be the potential for an increase in unauthorized immigration post implementation, which was partially observed after IRCA.[36] However, increasing work permits and legal pathways for immigrants to reside and work in the U.S. can help mitigate this externality (discussed in the subsequent policy section) and provide more orderly and predictable immigration to the U.S. Overall, regularization – along with increased limits on legal immigration to meet the demand for U.S. labor – would help lay the foundation for a just and prosperous U.S. economy.

Economic Rationale and Feasibility

One of the strongest arguments for a regularization program is that the majority of the eligible population has resided in the U.S. for more than a decade (and even those with less time in the U.S. are often actively sinking roots into our economic and social fabric). As discussed earlier in our profile of the undocumented immigrant population, many undocumented immigrants own homes, have completed high school, speak English, maintain household incomes above the poverty level, and sustain U.S. industries, reflecting a population that is already integrated and whose contributions to the U.S. economy are well documented.

The U.S. Economy at Large

Regularization is not only a policy that benefits the social and economic integration of immigrants into U.S. society but also serves as an economic stimulus for the U.S. economy.[37] As research studies have shown, the health of the U.S. economy is intertwined with immigration laws and policies, namely the labor needs that immigrants fill and their spending power that stimulates the economy.[38] More than half of the undocumented population have resided in the U.S. for more than a decade and comprise a notable share of the U.S. workforce. A regularization program will ensure this group remains part of the U.S. workforce, meeting the growing labor needs of critical sectors like agriculture, construction, health care, and the service industry.[39]

Economic analysis estimates that providing a pathway to citizenship for undocumented immigrants currently living in the U.S. would boost U.S. GDP by $1.7 trillion over ten years and create roughly 438,000 new jobs. These gains occur because regularization allows workers to move out of the informal economy, change jobs more freely, and better match their skills with available opportunities. As a result, workers who gain legal status are projected to earn about $4,300 more per year within five years, while

[36] Bansak, C., & Pearlman, S. (2021, May). *The impact of legalizing unauthorized immigrants*. IZA World of Labor. https://wol.iza.org/articles/legalizing-undocumented-immigrants/long; Cascio, E. U., & Lewis, E. G. (2020, October). *Opening the door: Immigrant legalization and family reunification in the United States* (NBER Working Paper No. 27874). National Bureau of Economic Research. https://doi.org/10.3386/w27874

[37] American Immigration Council. (2013, April). *An immigration stimulus: The economic benefits of a legalization program for unauthorized immigrants*. https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/legalization_0.pdf

[38] Peri, G. (2010). The effect of immigrants on US employment and productivity. *FRBSF Economic Letter*, *26*, 1-5; Peri, G. (2010). *The impact of immigrants in recession and economic expansion*. Washington, DC: Migration Policy Institute; Castañeda, E., Aguilar, E., & Turkington, N. (2024). Migration as a Driver of Economic Growth: Increasing Productivity and Filling Labor Gaps.

[39] Devillanova, C., Fasani, F., & Frattini, T. (2018). Employment of undocumented immigrants and the prospect of legal status: evidence from an amnesty program. *ILR review*, *71*(4), 853-881.

broader productivity gains are expected to raise non-immigrant wages by roughly $700 per year within a decade.[40]

Research on TPS holders shows that TPS designation produced measurable wage and homeownership gains for Salvadoran recipients, gains that are at risk whenever the program faces termination. Our proposed program would convert these temporary protections into permanent status, securing those economic gains and enabling further investment in human capital and community integration.[41]

Finally, our proposal goes beyond legal status alone by creating a pathway to citizenship. Research shows that regularization increases wages by about 10% by improving access to formal employment and job mobility. Early research on citizenship has found citizenship can generate additional gains, estimated at 5% higher wages, because it expands workers' access to a wider range of better-paid occupations.[42] More recent research shows relatively greater gains up to 11% for immigrants who naturalize, which could lead to tens of billions of dollars increase in cumulative earnings over the next decade that will have rippling effects on regional and the national economies through taxes and spending power.[43]

Fiscal Benefits

Undocumented immigrants are essential contributors to the U.S. tax base. As of 2023, undocumented immigrant households paid $89.8 billion in federal, state, and local taxes and maintained $299 billion in spending power.[44] A regularization program would ensure this critical tax base remains in the U.S. – contributing even more through increased earnings associated with gaining legal status – to fund a wide range of social services that benefit all Americans, like Social Security, Medicare, and Medicaid. The long-term fiscal benefit is particularly compelling. As the U.S.-born population continues to age, creating a smaller working-age population relative to retirees, Social Security solvency depends in part on maintaining a robust working-age population contributing to payroll taxes. Reports estimate that if net immigration were about 400,000 people higher per year than current projections, the program's long-term funding shortfall would decline by roughly 11%.[45] As Americans continue to retire, it is critical now more than ever to maintain the growth and vitality of the U.S. workforce.[46] A broad body of evidence highlights the major contributions of undocumented individuals as workers, taxpayers, and consumers,

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[40] Peri, G., & Zaiour, R. (2021, June 14). *Citizenship for undocumented immigrants would boost U.S. economic growth*. Center for American Progress. https://www.americanprogress.org/article/citizenship-undocumented-immigrants-boost-u-s-economic-growth/

[41] Harris, J. M., & Jerch, R. (2025). The long-run effects of temporary protection from deportation. Journal of Policy Analysis and Management, 44, 151–182

[42] Bratsberg, B., Ragan, Jr, J. F., & Nasir, Z. M. (2002). The effect of naturalization on wage growth: A panel study of young male immigrants. *Journal of labor economics*, *20*(3), 568-597.

[43] Pastor, M., & Scoggins, J. (2012). Citizen gain: the economic benefits of naturalization for immigrants and the economy. *Center for the Study of Immigrant Integration, University of Southern California*.

[44] American Immigration Council. (2025, February 25). *New data: Immigrants keep economy strong, as Congress considers wasting billions on mass deportation*. https://www.americanimmigrationcouncil.org/press-release/immigrants-keep-economy-strong-as-congress-debates-mass-deportation/

[45] Rachamallu, K. (2025, April 23). *Immigrants contribute greatly to the Social Security trust fund's solvency*. Center on Budget and Policy Priorities. https://www.cbpp.org/blog/immigrants-contribute-greatly-to-the-social-security-trust-funds-solvency

[46] Frey, W. H. (2023, November 29). *New census projections show immigration is essential to the growth and vitality of a more diverse U.S. population*. Brookings Institution. https://www.brookings.edu/articles/new-census-projections-show-immigration-is-essential-to-the-growth-and-vitality-of-a-more-diverse-us-population/

suggesting that mass deportation could have detrimental effects on the cities that depend on their taxes and the U.S. economy at large.[47]

Federal immigration enforcement spending now exceeds the combined budget of all other federal law enforcement agencies. A 2024 analysis reports that a large-scale deportation program would cost $315 billion over ten years.[48] Against this baseline, a regularization program would represent a major fiscal improvement. Regularization increases tax revenues, reduces enforcement costs, and avoids economic disruptions. When combined with estimates that regularization and a pathway to citizenship could lead to a $1.7 trillion increase in GDP over ten years, the fiscal argument for regularization becomes even stronger.

Benefits to Immigrants and Families

In 2023, an estimated 6.1 million children under age 18 lived with at least one undocumented immigrant parent, and approximately 75% of these children were U.S.-born citizens.[49] More than half of undocumented immigrants have lived in the U.S. for more than a decade, which demonstrates that many are deeply embedded in their communities and raising the next generation of U.S. citizens. A growing body of research shows that children in these families often face significant social, health, and economic disadvantages due to a parent's undocumented status and exposure to immigration enforcement. While much of the literature focuses on Hispanic immigrant families because they constitute the largest share of the undocumented population, similar mechanisms affect immigrant households more broadly, including Asian and Black immigrant families living in mixed-status households.[50] Legalization would enhance educational outcomes, reduce family separation, strengthen economic stability, and increase access to public programs critical to children's well-being.

The Costs of Excessive Immigration Enforcement on Communities and Families

Intensified immigration enforcement increases the probability that young children in mixed-status households repeat a grade and raises the likelihood that older children drop out of school, impacting economic output that detriments individuals, families, communities, and the economy at large.[51] Increases in immigrant arrests have also led to lower high-school and college enrollment among youth, particularly foreign-born Hispanic youth or youth living in mixed-status households.[52] Deportations occurring near school districts have also been shown to widen racial gaps (e.g., White-Hispanic) in math

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[47] Bay Area Council Economic Institute. (2025, June). *The economic impact of mass deportation in California*. https://www.bayareaeconomy.org/files/pdf/Economic%20Impact%20of%20Mass%20Deportation_June%202025.pdf; Cravino, J., Levchenko, A. A., Ortega, F., & Pandalai-Nayar, N. (2026). *The Economic Impact of Mass Deportations* (No. w34790). National Bureau of Economic Research.

[48] American Immigration Council. (2024, October). *Mass deportation: Devastating costs to America, its budget and economy*. https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/mass_deportation_report_2024.pdf

[49] Passel, J. S., & Krogstad, J. M. (2025, August 21). *U.S. unauthorized immigrant population reached a record 14 million in 2023*. Pew Research Center. https://www.pewresearch.org/race-and-ethnicity/2025/08/21/u-s-unauthorized-immigrant-population-reached-a-record-14-million-in-2023/

[50] Asian Americans Advancing Justice | AAJC. (2025, July 2). *Mass deportation and the Asian American community*. https://www.advancingjustice-aajc.org/sites/default/files/2025-08/Mass%20Deportation%20and%20the%20Asian%20American%20Community.pdf

[51] Amuedo-Dorantes, C., & Lopez, M. J. (2017). The Hidden Educational Costs of Intensified Immigration Enforcement. *Southern Economic Journal*, *84*(1), 120–154.

[52] Bucheli, J. R., Rubalcaba, J. A.-A., & Vargas, E. D. (2021). Out of the Class and Into the Shadows: Immigration Enforcement and Education Among U.S.-Citizen and Foreign-Born Hispanics. *AERA Open*, *7*.

achievement and chronic absenteeism by creating fear and anxiety among families.[53] Legalization would reduce exposure to enforcement-related disruptions and enable children in mixed-status families to improve educational attainment and strengthen schooling outcomes.

Greater apprehensions and deportations associated with immigration enforcement disrupt family stability, often leaving some children in the care of a single parent, an older sibling, or other relatives.[54] These separations can have long-term consequences for children's emotional well-being, educational attainment, and economic security. Black immigrants in particular face disproportionately high rates of detention and deportation relative to their share of the immigrant population, increasing the risk of family separation in Black immigrant communities.[55] By lowering the risk of family separation, legalization would provide a more stable living environment for children in mixed-status families.

Immigration enforcement also undermines household economic security by destabilizing income and limiting parents' employment opportunities, contributing to higher rates of child poverty.[56] Estimates show that deporting undocumented immigrants would lead to a 47% reduction in median household income for mixed-status households.[57] Research also shows that enforcement can alter labor supply within households, leading U.S.-born youth in mixed-status families to increase their labor force participation and hours worked, potentially at the expense of schooling.[58] In addition to these income losses, mass deportation would impose significant financial burdens on families and communities responsible for caring for children left behind. One recent analysis estimates that a mass deportation program would create more than $116 billion in child-rearing expenses currently borne by members of the children's households.[59] Legalization would allow undocumented immigrants to come out of the shadows, expand access to stable employment for parents, and reduce reliance on youth labor to offset household income losses associated with arrests and deportations.

Finally, immigration enforcement can deter families from accessing public programs that are critical to children's well-being. Even when children are U.S. citizens, heightened enforcement has been shown to generate "chilling effects" in enrollment in Medicaid and other safety-net programs, as families fear

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[53] Kirksey, J. J., Sattin-Bajaj, C., Gottfried, M. A., Freeman, J., & Ozuna, C. S. (2020). Deportations Near the Schoolyard: Examining Immigration Enforcement and Racial/Ethnic Gaps in Educational Outcomes. *AERA Open*, *6*(1).

[54] Amuedo-Dorantes, C., & Arenas-Arroyo, E. (2019). Immigration Enforcement and Children's Living Arrangements. *Journal of Policy Analysis and Management*, *38*(1), 11–40; Capps, R., Castañeda, R. M., Chaudry, A., & Santos, R. (2007, October 31). *Paying the price: The impact of immigration raids on America's children*. Urban Institute. https://www.urban.org/sites/default/files/publication/46811/411566-Paying-the-Price-The-Impact-of-Immigration-Raids-on-America-s-Children.PDF

[55] Black Alliance for Just Immigration. (2025, May). *Lock us up. Keep us out.: The first 100 days*. https://baji.org/wp-content/uploads/2025/05/BAJI-First-100-Days-2025.pdf

[56] Amuedo-Dorantes, C., Arenas-Arroyo, and Sevilla, A. (2018). Immigration enforcement and economic resources of children with likely unauthorized parents. Journal of Public Economics (158), 63-78.

[57] Kerwin, D., & Warren, R. (2017). *Mass deportations would impoverish US families and create immense social costs*. *Journal on Migration and Human Security, 5*(1), 1–8. https://cmsny.org/publications/mass-deportations-impoverish-us-families-create-immense-costs/

[58] Bucheli, J. R., Rubalcaba, J. A.-A., & Vargas, E. D. (2021). Out of the Class and Into the Shadows: Immigration Enforcement and Education Among U.S.-Citizen and Foreign-Born Hispanics. *AERA Open*, *7*.

[59] Lisiecki, M., & Apruzzese, G. (2024, October 10). *Proposed 2024 mass deportation program would socially and economically devastate American families*. Center for Migration Studies of New York. https://cmsny.org/publications/2024-mass-deportation-program-devastate-american-families-101024/

engaging with government institutions.60 Legalization would lower these barriers to participation, improving access to programs that are important for children's development.

Decades of expanding immigration enforcement have imposed high fiscal, economic, and social costs. Enforcement policies have destabilized families, disrupted labor markets, and reinforced racial inequalities within immigrant communities. The current U.S. immigration system squanders too many of the potential benefits of immigration by depriving immigrants of their full rights as workers and allowing for the abuse of workers in shadow economies.61 This mismatch between the economic reality of the U.S.'s reliance on immigrant labor and current policy solutions highlights the need for comprehensive, data-driven immigration reform. The evidence provided above suggests that a citizenship-centered regularization program would provide a more effective and economically viable alternative.

At the same time, legalization alone cannot resolve the structural challenges embedded in the current immigration system. A sustainable immigration framework must also address the future flows of migration that sustain the U.S. economy, invest in state and regional infrastructure that supports immigrant inclusion, and strengthen the civic and political conditions necessary to sustain reform. Taken together, these strategies offer a pathway toward an immigration system that strengthens families, supports workers, and builds a more inclusive and prosperous economy.

Expand Orderly Programs for Future Flows of Migrants

The Problem

Lawful pathways to the U.S. have been limited, unsustainable, and ineffective. Complex requirements, long waits, arbitrary caps, and sudden politicized changes to immigration laws and policies have had consequential effects and unintended consequences on local communities, economies, and businesses. As research studies have shown, the health of the U.S. economy is intertwined with immigration laws and policies, namely the labor needs that immigrants fill and their spending power that stimulates the economy.[62] In the absence of adequate lawful pathways (e.g., termination of visas and implementation of quotas) to the U.S. to meet demands, whether labor demands from firms and businesses in the U.S. or demand for economic opportunities and safety, people turn to alternatives (e.g., increase in number of undocumented immigrants and firms relying on undocumented immigrant labor) and responses to those alternatives lead to additional direct and indirect costs (e.g., fiscal and social costs of increased enforcement, including ICE).[63]

Sectors that rely heavily on immigrants and are integral to everyday needs, including agriculture, construction, and healthcare, are disproportionately impacted by shifts in immigration, which can lead

[60] Watson, T. (2014). Inside the Refrigerator: Immigration Enforcement and Chilling Effects in Medicaid Participation. American Economic Journal: Economic Policy 6 (3): 313–38.
[61] Bivens, J., & Costa, D. (2024, April 17). The U.S. benefits from immigration but policy reforms needed to maximize gains. Economic Policy Institute. https://www.epi.org/publication/u-s-benefits-from-immigration/
[62] Peri, G. (2010). The effect of immigrants on US employment and productivity. FRBSF Economic Letter, 26, 1-5; Peri, G. (2010). The impact of immigrants in recession and economic expansion. Washington, DC: Migration Policy Institute; Castañeda, E., Aguilar, E., & Turkington, N. (2024). Migration as a Driver of Economic Growth: Increasing Productivity and Filling Labor Gaps.
[63] Massey, D. S., & Pren, K. A. (2012). Unintended consequences of US immigration policy: Explaining the post-1965 surge from Latin America. *Population and development review*, *38*(1), 1-29.

to cascading effects that threaten the country's livelihood and economy.[64] For immigrants who lack lawful permanent status, their contribution to the economy is constantly at threat, such as through increased immigration enforcement of undocumented immigrants and the restrictions of work visas. Such targeted attacks have rippling effects that lead to measurable negative impact. As one study finds, targeting undocumented immigrants not only reduces employment among undocumented immigrants but also has spillover effects on lawful and citizen counterparts' employment, further disrupting markets and economies.[65] Expanding lawful pathways to the U.S. would increase opportunities for immigrants to lawfully come to the U.S. to fill evolving labor needs across sectors and would reduce the need to enforce harmful and costly practices targeting undocumented immigrants.

Not only are immigrants key in filling labor needs that keeps the U.S. economy running, immigrants are also shown to create additional jobs and economic opportunities in the U.S. through entrepreneurial endeavors (e.g., creating businesses and startups). As one study finds: "immigrants act more as 'job creators' than 'job takers.'" [66] Expanding lawful pathways to the U.S. will allow for more economic opportunities for all living in the U.S. Without expanding orderly programs for future flows of immigration, the U.S. is faced with a stark reality that firms and businesses could move their jobs and economic activities to other countries where a sustainable supply of labor and resources exist to meet their needs.[67]

Limited pathways to the U.S. tend to counter the revitalization of regions that depend on immigrant labor,[68] reduce economic activity and revenue for local businesses,[69] negatively impact governments budgets through forgone taxes collected from immigrants,[70] and threaten collective advocacy power that have in part relied on immigrants to gain collective bargaining power for workers rights and wage increases for all.[71] Diversified pathways to the U.S. will allow more flexibility for communities, firms and businesses, and local municipalities to fill specific labor needs that would create a net benefit to local and regional economies.

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[64] Clemens, M. A., & Lewis, E. G. (2022). The effect of low-skill immigration restrictions on US firms and workers: Evidence from a randomized lottery (No. w30589). National Bureau of Economic Research; Bernstein, S., Diamond, R., Jiranaphawiboon, A., McQuade, T., & Pousada, B. (2022). *The contribution of high-skilled immigrants to innovation in the United States* (No. w30797). National Bureau of Economic Research; Rosenbloom, R. (2022). *A profile of undocumented agricultural workers in the United States*. Center for Migration Studies of New York; Wilson, D. J., & Zhou, X. (2026, February 17). *Unauthorized immigration effects on local labor markets*. Federal Reserve Bank of San Francisco. https://www.frbsf.org/research-and-insights/publications/economic-letter/2026/02/unauthorized-immigration-effects-on-local-labor-markets/

[65] East, C. N., Hines, A. L., Luck, P., Mansour, H., & Velásquez, A. (2023). The labor market effects of immigration enforcement. *Journal of Labor Economics*, *41*(4), 957-996.

[66] Azoulay, P., Jones, B. F., Kim, J. D., & Miranda, J. (2022). Immigration and entrepreneurship in the United States. *American Economic Review: Insights*, *4*(1), 71-88.

[67] Glennon, B. (2024). How do restrictions on high-skilled immigration affect offshoring? Evidence from the H-1B program. *Management Science*, *70*(2), 907-930.

[68] Card, D. (2009). How immigration affects US cities. Making cities work: Prospects and policies for urban America, 158-200.

[69] Los Angeles County Department of Economic Opportunity, & Los Angeles County Economic Development Corporation. (2026, February 5). *Economic impacts of federal immigration enforcement in Los Angeles County*. https://opportunity.lacounty.gov/wp-content/uploads/2026/02/LAEDCxDEO-Economic-Impacts-of-Federal-Immigration-Enforcement.pdf

[70] Davis, C., Guzman, M., & Sifre, E. (2024). Tax payments by undocumented immigrants. *Institute on Taxation and Economic Policy*; Colas, M., & Sachs, D. (2024). The indirect fiscal benefits of low-skilled immigration. *American Economic Journal: Economic Policy*, *16*(2), 515-550.

[71] Milkman, R. (Ed.). (2018). *Organizing immigrants: The challenge for unions in contemporary California*. Cornell University Press.

Past Failures to Expand Orderly Flows of Immigration

A functional immigration system starts with a simple truth: people will use whatever pathway is most visible and accessible, and as long as crossing the border without documentation remains the only real option, that is what they will choose and where they will go. The solution is not to make it harder to come but to build genuine alternatives, including accessible legal pathways, streamlined application processes with real timelines, and realistic processing practices that are adequately resourced.

While there have been previous attempts to adjust visa programs to facilitate the flows of migrants needed to fill critical workforce shortages and contribute to the overall health of the U.S. economy, these endeavors have fallen short for three critical policy failures: 1) a mismatch between the labor needs of critical U.S. sectors and the design of current immigration pathways to meet those demands, 2) bureaucratic and funding barriers that result in unused allocated visas, and 3) the vulnerability of immigration pathways to changing political motivations of congress and federal administrations. Overall, it is the lack of infrastructure and foresight within the United States Citizenship and Immigration Services (USCIS) agency and the broader immigration system that has created the aforementioned unintended consequences that put immigrants at risk and challenged the sustainability and efficacy of the visa pathways that currently exist.

Immigration System Design Failures

Humanitarian visa programs are a major pathway for immigrants to enter into the U.S. Currently, millions of individuals reside in the U.S. through these channels, where programs like refugee, asylum, and temporary protected status (TPS) grant individuals the ability to lawfully come to the U.S. from countries experiencing armed conflicts, natural disasters, and political instability.[72] However, these humanitarian relief programs can suddenly change with a new presidential administration. For example, the annual ceiling of refugee admissions are set by the President in consultation with Congress, reflecting the political priorities of different administrations. During the Biden administration, annual refugee caps were set to over 100,000, whereas the second Trump term saw the lowest annual ceiling on record, at 7,500 in 2026.[73]

This has important implications since only refugees are granted a clear pathway to citizenship. If refugee admissions are restricted and demand remains, then individuals seeking humanitarian relief may instead apply for asylum or temporary protected status.[74] However, asylum and TPS are temporary statuses that place individuals in a state of limbo where they can work and reside in the U.S. but are subject to removal of status and deportation depending on their length of stay and political conditions within the U.S.[75] For example, research estimates that the Trump administration's policies slashing humanitarian parole and TPS for dozens of countries may have created roughly 2 to 2.5 million new undocumented immigrants in 2025, which has created additional costly externalities (e.g., losing workers protections,

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[72] Carnegie Corporation of New York. (2025, April 9). *How people immigrate legally to the U.S.* https://www.carnegie.org/our-work/article/how-people-immigrate-legally-to-the-us/

[73] Migration Policy Institute. (n.d.). *U.S. annual refugee resettlement ceilings and number of refugees admitted, 1980–present*. Migration Data Hub. https://www.migrationpolicy.org/programs/data-hub/charts/us-refugee-resettlement

[74] Jacobsen, K. (2024, May 6). *Who are the immigrants coming to the U.S. on humanitarian grounds, and how can they be supported?* Tufts Now. https://now.tufts.edu/2024/05/06/who-are-immigrants-coming-us-humanitarian-grounds-and-how-can-they-be-supported

[75] National Immigration Forum. (2026, April 9). *Temporary Protected Status (TPS): Fact sheet*. https://forumtogether.org/article/temporary-protected-status-fact-sheet/

forced into informal economies, lowered wages, lowered tax contributions supporting social safety nets).[76]

Additionally, moves by the Trump administration to impose a $100,000 fee on firms seeking to hire H-1B workers has created confusion and disincentives among US firms, with economists warning this abrupt policy change could result in a "brain drain" of qualified workers.[77] The potential high costs of H-1B visas, the instability of the guidelines, and uncertainty around who can stay, through what visa process, and for how long have created the conditions for individuals to fall out of legal status and risk deportation.[78] Recent moves by the Trump administration, including slashing humanitarian pathways and raising H1B visa costs, highlight these failings that have resulted in one of the largest restrictions in legal immigration to the U.S. in recent history.[79]

Implementation Failures

One of the primary channels for immigrants to legally work and reside in the U.S. is to obtain lawful permanent residency, also known as a "green card." Each year, the U.S. issues hundreds of thousands of green cards to immigrants through family- or employer-sponsorship. Over the past several years, tens of thousands of permanent residency visas have gone unused annually. While this backlog of green cards first became a prominent issue during the COVID-19 pandemic, the issue is one that dates back to 1921 when Congress first set numerical caps to green cards.[80] From then until 2025, nearly 5 million allocated green card visas are estimated to have gone unused, including over 940,000 unused employment- and family-based green cards between 1992 and 2021 that were caused by bureaucratic delays as highlighted in the U.S. Citizenship Act of 2021.[81]

Unused green cards are primarily driven by administrative delays and funding shortfalls.[82] [83] The federal government's failure to meet annual caps for immigrants sponsored by U.S. employers or family

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[76] Bier, D. J. (2025, December 30). *The most important immigration stories of 2025*. Cato Institute. https://www.cato.org/blog/most-important-immigration-stories-2025; Costa, D. (2025, May 12). *Trump attacks on temporary immigration protections like TPS hurt the economy and strip millions of their workplace rights*. Economic Policy Institute. https://www.epi.org/blog/trump-attacks-on-temporary-immigration-protections-like-tps-hurt-the-economy-and-strip-millions-of-their-workplace-rights/

[77] American Immigration Council. (2025, September 24). *Trump's $100,000 fee for H-1B visas: What you need to know*. https://www.americanimmigrationcouncil.org/blog/trump-100000-fee-h-1b-visa/

[78] National Immigration Forum. (2022, March 24). *Explainer: Humanitarian parole*. https://forumtogether.org/article/explainer-humanitarian-parole/

[79] Bier, D. J. (2025, December 30). *The most important immigration stories of 2025*. Cato Institute. https://www.cato.org/blog/most-important-immigration-stories-2025; Anderson, S. (2026, January 20). *Trump and Miller slashing legal immigration by 33% to 50%*. Forbes. https://www.forbes.com/sites/stuartanderson/2026/01/20/trump-and-miller-slashing-legal-immigration-by-33-to-50/

[80] Nowrasteh, A. (2019, July 1). *Congress can recapture 4.5 million unused green cards*. Cato Institute. https://www.cato.org/blog/congress-can-recapture-45-million-unused-green-cards; Moriarty, A. (2025, January 30). Green card recapture and reform would reduce immigration backlogs. FWD.us. https://www.fwd.us/news/green-card-recapture/

81 National Immigration Forum. (2021, October 1). Fact sheet: Unused green card recapture. https://forumtogether.org/article/fact-sheet-unused-green-card-recapture/

82 Ewing, W. (2021, October 5). The Biden administration let over 200,000 green cards go to waste this year. American Immigration Council. https://www.americanimmigrationcouncil.org/blog/unused-green-cards-biden-2021/

[83] Loweree, J. (2020, August 26). *USCIS cancelled planned staff furloughs, but budgetary challenges remain*. American Immigration Council. https://www.americanimmigrationcouncil.org/blog/uscis-furlough-cancelled/

members is worsening the backlog of green card applications. This, along with per-country green card limits, have created wait times lasting from a few years to even decades. These delays and funding crises are further exacerbated by USCIS's overall allocation of resources dedicated to detaining, deporting, and policing undocumented immigrants.[84]

Green card applications are among the many applications and forms that are experiencing administrative backlog. In 2025, the backlog of USCIS forms grew an additional 2 million cases as a result of rising new applications and petitions and a decline in completions in the Trump administration's first three quarters of its second term.[85] Among applications and forms, the TPS backlog has surged. Among all high-volume immigration applications, TPS filings saw the largest increase in pending cases over between December 2024 and September 2025 – rising roughly 150% from 465,000 to nearly 1.2 million. The same analysis also found that employment authorization requests for green card applicants more than doubled – from about 155,000 to 373,000 – while pending petitions for non-immigrant and immigrant workers grew by 68% and 36%, respectively, signaling a system-wide slowdown that is impacting workers and employers across the board.

These administrative failures and long wait-times have resulted in unintended consequences, like incentivizing alternative and informal pathways to the U.S.[86] It is time to remake the system so that it works for everyone: immigrants, labor, employers, communities, and our fiscal coffers.

Susceptibility to Changes in Political Conditions

Humanitarian visa programs are a major pathway for immigrants to enter into the U.S. Currently, millions of individuals reside in the U.S. through these channels, where programs like refugee, asylum, and TPS grant individuals the ability to escape countries experiencing armed conflicts, natural disasters, and political instability.[87] However, these humanitarian relief programs can suddenly change with a new presidential administration.

For example, the annual ceiling of refugee admissions are set by the President in consultation with Congress, reflecting the political priorities of different administrations. During the Biden administration, annual refugee caps were set to over 100,000, whereas the second Trump term saw the lowest annual ceiling on record, at 7,500 in 2026.[88] This has important implications since only refugees are granted a clear pathway to citizenship. If refugee admissions are restricted and demand remains, then individuals

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[84] Reichlin-Melnick, A. (2019, November 14). *USCIS proposes increased fees for all immigration-related applications*. American Immigration Council. https://www.americanimmigrationcouncil.org/blog/uscis-increased-fees-for-immigration-applications/

[85] American Immigration Council. (2026, April 29). *New dashboard reveals insights into USCIS backlogs and processing trends*. https://www.americanimmigrationcouncil.org/blog/uscis-backlogs-processing-trends-dashboard/

[86] American Immigration Council. (2024, September 18). *Why don't they just get in line?* https://www.americanimmigrationcouncil.org/fact-sheet/why-dont-they-just-get-line/

[87] Carnegie Corporation of New York. (2025, April 9). *How people immigrate legally to the U.S.* https://www.carnegie.org/our-work/article/how-people-immigrate-legally-to-the-us/

[88] Migration Policy Institute. (n.d.). *U.S. annual refugee resettlement ceilings and number of refugees admitted, 1980–present*. Migration Data Hub. https://www.migrationpolicy.org/programs/data-hub/charts/us-refugee-resettlement

seeking humanitarian relief may instead apply for asylum or temporary protected status.[89] However, asylum and TPS are temporary statuses that place individuals in a state of limbo where they can work and reside in the U.S. but are subject to removal of status and deportation depending on their length of stay and political conditions within the U.S.[90] Moreover, there is a severe backlog of asylum cases (the largest humanitarian category), where wait times for a determination on a case are anywhere between 4 to 6 years.[91] This instability and uncertainty around who can stay, through what visa process, and for how long creates the conditions for individuals, through bureaucratic failings and ever changing immigration policy, to fall out of legal status and risk deportation.[92]

Overall, these years-long visa processing times and severe backlog of humanitarian cases are exacerbated by USCIS budgetary shortfalls. USCIS is primarily self-funded through visa fees and constantly operates under a perpetual backlog of cases, which was exacerbated by the COVID-19 pandemic. These systemic issues are compounded by attempts by the Trump administration to increase deportations and police immigrants. If immigrants and their family members are fearful of immigration enforcement and surveillance, they may choose not to file for permanent residency or citizenship.[93] Not only do immigrants and communities risk losing opportunities for economic gains and social inclusion through gaining permanent residency and eventually citizenship, the loss of potential fees from immigrants adjusting status serves to further exacerbate USCIS's budgetary shortfalls.

The Game Changer: An Expanded Orderly Program

Expanding and diversifying pathways to the U.S. will act as an economic stimulus that will lead to more opportunities for lawful immigration and more stable economies for growth at the national and local level.[94] The U.S. benefits from immigration; however, policy reform is needed to maximize gains for the broader U.S. economy and all workers. The U.S. will benefit from immigration reform that will expand and diversify pathways to the U.S., addressing evolving labor needs and mitigating concerns of the rise in undocumented immigrants. With more opportunities to come to the U.S. lawfully and to adjust status, it is expected that the number of undocumented immigrants will shrink and, thus, will be able to work in formal economies. This will create greater economic benefits for individuals, communities, and the U.S. through increased tax revenue and spending power.

To achieve this, Congress must 1) fix the design flaws that restrict existing pathways to the U.S., 2) create sustainable and efficient implementation visa processes and pathways to citizenship, and 3)

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[89] Jacobsen, K. (2024, May 6). *Who are the immigrants coming to the U.S. on humanitarian grounds, and how can they be supported?* Tufts Now. https://now.tufts.edu/2024/05/06/who-are-immigrants-coming-us-humanitarian-grounds-and-how-can-they-be-supported

[90] National Immigration Forum. (2026, February 4). *Temporary Protected Status (TPS): Fact sheet*. https://forumtogether.org/article/temporary-protected-status-fact-sheet/

[91] National Immigration Forum. (2024, January 23). *Explainer: Asylum backlogs*. https://forumtogether.org/article/explainer-asylum-backlogs/

[92] National Immigration Forum. (2022, March 24). *Explainer: Humanitarian parole*. https://forumtogether.org/article/explainer-humanitarian-parole/

[93] Reddy, R., Pastor, M., Scoggins, J., & Le, T. V. (2024, April). *Naturalize now: Economic equity and the path to naturalization*. USC Equity Research Institute. https://dornsife.usc.edu/eri/publications/naturalize-now-economic-equity-and-the-path-to-naturalization/

[94] Bier, D. J. (2026, February 3). *Immigrants' recent effects on government* budgets: 1994–2023. Cato Institute. https://www.cato.org/white-paper/immigrants-recent-effects-government-budgets-1994-2023

address the vulnerability of current immigration programs to political whims and changes in federal administrations.

Immigration system reform to expand and diversify pathways: Immigration reform that would more aptly address the diverse labor needs of the U.S. and would allow more workers to fully participate in the U.S. labor market would require more sustainable and diverse pathways to the U.S., including:

- Creating a pathway to citizenship for long-tenured TPS holders and asylum seekers that work and reside in the U.S. would ensure that long-standing members of communities with temporary status have an effective pathway to citizenship which has been shown to boost wages for the working class and benefit the economy.
- Building on the Equal Access to Green Cards for Legal Employment (EAGLE) Act (H.R. 3648) to raise per-country caps for family-based visa categories and employment-based green cards. Increasing the cap of allowable visa recipients will sustainably meet labor demands across sectors while equalizing green card backlogs by eliminating categorical per-country caps for employment-based visa categories.
- Expanding the diversity visa lottery program to further diversify the labor force and skills needed to meet the segmented labor market across sectors and regions in the U.S., including stimulating needed population growth in areas with declining economies.[95]
- Sustaining realistic H-1B and H-2A visa programs (e.g., quotas and fees) that would allow greater flows of funds through fees while not crowding out needed expertise through exorbitant fees. These programs need to be better designed and implemented to address growing concerns that they are slow, expensive, and buried in red tape – consequently impacting employers and sectors from agriculture to tech.

These lawful pathways to the U.S. will sustain labor supply and diverse skills needed to boost local economies across the U.S.

Efficient and sustainable implementation of immigration pathways: Bureaucratic barriers and funding structures have created barriers to processing requests (e.g., family- or employment-based visa, TPS applications, employment authorization) in a timely manner, resulting in tens of thousands of allocated green cards and other visas to go unused each year. Similar to the U.S. Citizenship Act of 2021, Congress can address the green card backlog through legislation to direct the executive branch to recapture hundreds of thousands of allocated green cards over the past three decades that have gone unused due to bureaucratic delays and funding issues.[96] USCIS can then utilize the revenue generated from this influx of green card adjustment fees – as well as other visas (e.g., H-1B) – to begin addressing the immense backlog of visas and humanitarian asylum cases pending review. To ensure effective and sustainable implementation of lawful pathways to the U.S., it is key that resources are sufficient to staff USCIS offices, to process applications, and to reduce backlogs. This will require diverse funding sources, including through fees from regularization pathways and diverted funds from enforcement activities stipulated under the One Big Beautiful Bill.

Safeguarding immigration pathways against changing political climate: Establishing a pathway to citizenship for humanitarian refugees and asylum seekers that is safeguarded from the political

95 Kennedy, P. (2018). The Labor Economics Case for the Diversity Visa Lottery. Stan. L. Rev. Online, 71, 159.
[96] National Immigration Forum. (2021, February 24). U.S. Citizenship Act of 2021 bill summary. https://forumtogether.org/article/u-s-citizenship-act-of-2021-bill-summary/

motivations of changing federal administrations will protect against 1) the economic shock of deportations and destabilizing communities and families and 2) asylum seekers falling out of legal status and becoming part of the shadow economy where they cannot fully participate and contribute to the U.S. workforce and economy. To safeguard immigration pathways against the changing political climate, it is important to design and pass federal legislation through statutory law rather than executive orders. Specifically, to protect refugee and asylum pathways from political volatility, Congress should establish durable statutory protections that limit executive discretion and ensure consistent and humane implementation. Such legislation should:

- Mandate minimum annual refugees admissions that reflect rising global patterns and that are non-negotiable to prevent administrators from reducing admissions to historically low levels.
- Shift humanitarian programs, including the asylum system, away from border patrol and placing it under independent adjudicator bodies, or at least strengthening the independence of immigration judges within the Department of Justice to ensure impartial adjudication. To prevent potential backlogs, there should also be an increase in the number of adjudicators.
- Provide sustainable, non-discretionary funding for legal representation to ensure due process and fair legal procedures.
- Provide dedicated funding for prompt humanitarian reception services at the border, decreasing the reliance on detention and enabling efficient and humane processing.
- Provide legal protections against refoulement, including laws that specifically prohibit returning individuals to countries where they face persecution, ensuring compliance with international humanitarian law.
- Restrict executive authority to impose sweeping asylum bans on border closures that undermine statutory protections.
- Establish robust independent oversight mechanisms, including regular reporting to Congress and external audits and monitoring bodies.

Overall, consistent and predictable immigration is critical for the health of the U.S. economy. Immigration has been found to raise productivity and immigrant complement rather than crowd-out, native workers.[97] Expanding orderly flows of immigration with reasonable visa wait times will ensure more predictable flows of immigration. This will ensure a sustainable level of workers to meet labor demands while mitigating the potential of the labor market being inundated with unforeseen waves of undocumented immigration, which would have a negative impact on these workers and potentially depress wages.[98] Workers and consumers as a whole will benefit from expanding orderly programs for future flows. Businesses will maintain profits and increase the economy's stock of human capital and ideas.[99]

[97] Kermani, A., & McQuade, T. (2025, October 7). *The effects of high-skilled immigration*. National Bureau of Economic Research. https://www.nber.org/reporter/2025number3/effects-high-skilled-immigration
[98] Bansak, C., & Pearlman, S. (2021, May). *The impact of legalizing unauthorized immigrants*. IZA World of Labor. https://wol.iza.org/articles/legalizing-undocumented-immigrants/long
[99] Bound, J., Khanna, G., & Morales, N. (2017). *Understanding the Economic Impact of the H-1B Program on the US* (No. w23153). National Bureau of Economic Research.

Economic Rationale and Feasibility

Expanding and diversifying orderly programs for future immigration flows to the U.S. is grounded in a clear economic rationale. Well-designed legal pathways generate complementary, rather than competitive, effects by aligning needed immigrant labor with labor shortages across industries, including agriculture, construction, health care, and the rapidly growing need in the care economy. [100] As the U.S. population ages and birth rates decline, increasing the number of working-age taxpayers is essential to sustaining Social Security, Medicare, and Medicaid while ensuring sufficient caregiving capacity for older adults.[101] Labor shortages constrain production, thus, limiting supply and consequently increasing prices. Expanding lawful labor pathways can ease wage-price pressures in sectors experiencing labor shortages.[102]

At the same time, "high-skilled" migration programs can support innovation and productivity growth by attracting talent in science, technology, engineering, and other critical fields. When such pathways are overly restricted, firms often relocate research, production, and jobs abroad, reducing domestic economic activity.[103] Further, immigrants are also more likely to start businesses and high-growth firms. Thus, there are lost opportunities for jobs and economic gains when immigration to the U.S. is restricted.[104] Expanding access instead keeps investment, jobs, wages, and tax revenue within the U.S.

Through labor participation and economic activity, immigrants shape local and national economies. Expanding and diversifying lawful pathways to the U.S. (e.g., diversity lottery, refugee and asylum seeker programs, and employment-based visa programs) would support localities undergoing regional revitalization through population stabilization, especially in cities and rural areas facing population decline, shrinking tax revenues, and shuttering businesses.[105]

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[100] Peri, G. (2010). The effect of immigrants on US employment and productivity. *FRBSF Economic Letter*, *26*, 1-5; Castañeda, E., Aguilar, E., & Turkington, N. (2024). Migration as a Driver of Economic Growth: Increasing Productivity and Filling Labor Gaps; Peri, G. (2010). *The impact of immigrants in recession and economic expansion*. Washington, DC: Migration Policy Institute.

[101] Zallman, L., Finnegan, K. E., Himmelstein, D. U., Touw, S., & Woolhandler, S. (2019). Care for America's elderly and disabled people relies on immigrant labor. *Health Affairs*, *38*(6), 919-926.

[102] FWD.us. (2026, May 20). *Prices for all Americans are set to unnecessarily rise under recent and proposed immigration policies impacting the U.S. labor force*. https://www.fwd.us/news/new-immigration-policies-will-increase-prices-for-americans/

[103] Clemens, M. A., & Lewis, E. G. (2022). The effect of low-skill immigration restrictions on US firms and workers: Evidence from a randomized lottery (No. w30589). National Bureau of Economic Research; Bernstein, S., Diamond, R., Jiranaphawiboon, A., McQuade, T., & Pousada, B. (2022). *The contribution of high-skilled immigrants to innovation in the United States* (No. w30797). National Bureau of Economic Research.

[104] Azoulay, P., Jones, B. F., Kim, J. D., & Miranda, J. (2022). Immigration and entrepreneurship in the United States. *American Economic Review: Insights*, *4*(1), 71-88.

[105] Card, D. (2009). How immigration affects US cities. Making cities work: Prospects and policies for urban America, 158-200; Los Angeles County Department of Economic Opportunity, & Los Angeles County Economic Development Corporation. (2026, February 5). *Economic impacts of federal immigration enforcement in Los Angeles County*. https://opportunity.lacounty.gov/wp-content/uploads/2026/02/LAEDCxDEO-Economic-Impacts-of-Federal-Immigration-Enforcement.pdf; Davis, C., Guzman, M., & Sifre, E. (2024). Tax payments by undocumented immigrants. *Institute on Taxation and Economic Policy*; Colas, M., & Sachs, D. (2024). The indirect fiscal benefits of low-skilled immigration. *American Economic Journal: Economic Policy*, *16*(2), 515-550; Wilson, D. J., & Zhou, X. (2026, February 17). *Unauthorized immigration effects on local labor markets*. Federal Reserve Bank of San Francisco. Accessed at https://www.frbsf.org/research-and-insights/publications/economic-letter/2026/02/unauthorized-immigration-effects-on-local-labor-markets/

Support Immigrant Inclusion at State and Regional Levels

The Problem

Studies have shown how states and regions that provide greater investments into immigrant inclusion programs and policies (e.g., expanding access to public benefits, workforce development, educational opportunities) see greater benefits, including lower levels of poverty across groups, not just for immigrants.[106] Though the economic and social benefits of immigrant inclusion are clear, there continue to be challenges in promoting programs and policies that support the inclusion of immigrants into local labor markets, civic institutions, and community and society. The lack of infrastructure, resources, and consistent information that immigrant-serving institutions (e.g., agencies, organizations, service providers, and unions) experience lead to uneven social, economic, and civic outcomes across and within regions. There is a need to invest in a cohesive infrastructure of immigrant-serving institutions to support strategic immigrant inclusion efforts locally and nationally, addressing concerns that existing efforts are often fragmented, disjointed, and ad-hoc.[107] Especially during times of federal overreach in unjustly and unlawfully attacking immigrant communities, it is becoming more important for states and localities to strengthen their immigrant-serving infrastructure.

However, organizations, agencies, and service providers who work directly with immigrants face extensive resource, logistical, and capacity barriers. Providing pertinent services to immigrants is a challenge when services and resources for immigrants are not aligned with the spatial distribution of immigrants across the country, especially in less urban areas.[108] To encourage greater access to immigrant inclusion programs, it is necessary to invest in a network of institutions with physical proximity and expertise to act as mediating actors. Scholars have called for an immigrant safety net, which acts as a "constellation of diverse programs and services that are delivered locally."[109] These institutions need not only be physically close but also address linguistic and cultural barriers that immigrants face, calling for a more decentralized but cohesive ecosystem of service providers and organizers to meet the needs of the immigrants in specific regions. To develop and implement an immigrant safety net within and across regions, it is key to have entities that can effectively coordinate, fund, and support the work of programs and services that are delivered locally. Such infrastructure would also insulate state and regional efforts from politicized interventions and safeguard against administrative changes.[110]

Past Failures in Creating an Effective and Sustainable Immigrant-Serving Ecosystem

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[106] De Trinidad Young, M. E., León-Pérez, G., Wells, C. R., & Wallace, S. P. (2018). More inclusive states, less poverty among immigrants? An examination of poverty, citizenship stratification, and state immigrant policies. *Population Research and Policy Review*, *37*(2), 205-228; Karoly, L. A., & Perez-Arce, F. (2016). *A cost-benefit framework for analyzing the economic and fiscal impacts of state-level immigration policies*. RAND.

[107] De Graauw, E., & Bloemraad, I. (2017). Working together: Building successful policy and program partnerships for immigrant integration. *Journal on Migration and Human Security*, *5*(1), 105-123.

[108] Roth, B. J., & Grace, B. (2018). Structural barriers to inclusion in a Latino immigrant new destination: Exploring the adaptive strategies of social service organizations in South Carolina. *Journal of International Migration and Integration*, *19*(4), 1075-1093.

[109] Roth, B. J., Gonzales, R. G., & Lesniewski, J. (2015). Building a stronger safety net: Local organizations and the challenges of serving immigrants in the suburbs. *Human Service Organizations: Management, Leadership & Governance*, *39*(4), 348-361.

[110] Francis, V. (2025, December 19). *Protecting immigrant communities: How states can lead in 2026*. American Immigration Council. https://www.americanimmigrationcouncil.org/blog/protecting-immigrants-how-states-can-lead-in-2026/

Lack of Funding of Immigrant Inclusion Efforts and Overfunding of Enforcement

There continues to be an understatement of the benefits of immigrant inclusion on families, communities, and the U.S. economy, leading to under-resourced and fragmented efforts within and across regions. The lack of financial resources invested in immigrant inclusion efforts undergird the continued failures to develop an infrastructure of immigrant-serving institutions that could effectively coordinate resources and yield substantial benefits. Despite the proven benefits of immigrant inclusion on civic society and the economy (e.g., more gainful employment for immigrants when they naturalize),[111] funding for immigrant inclusion services and efforts has been relatively small compared to how much has been invested in immigration enforcement, which has a net cost.[112] As previously shared, Congress in 2024 appropriated only $840 million for the entire immigration court system and $424 million to the entirety of the USCIS refugee and asylum division in comparison to the $3.43 billion invested in immigration detention centers alone, which only leads to unnecessary backlogs and costly delays.[113] With the One Big Beautiful Bill (H.R. 1) that was passed in 2025, more than $170 billion has been added toward immigration- and border enforcement-related activities such as constructing and maintaining a border wall ($51.6 billion), enforcement and removal, including hiring ICE agents ($29.9 billion), and border patrol agents and vehicles ($7.8 billion).[114] There has been substantially less invested even in programs that can improve outcomes for immigrants and communities, including USCIS awarding only $155 million through 644 competitive grants from 2009 to 2024 to assist more than 350,000 immigrants prepare for citizenship.[115]

There is currently no large federal agency dedicated to immigrant inclusion comparable to federal enforcement agencies and initiatives. As such, immigrant inclusion services are often funded through state, local, and/or philanthropic programs, further exacerbating an uneven landscape across and within regions. A lack of federal support has left cities and states to fill the vacuum in facilitating immigrant inclusion and integration efforts at the local and regional level. For example, local governments like Los Angeles County and cities like New York City have developed immigrant affairs offices; however, federal support for these efforts has historically been limited. Localities with less resources and lower priorities to provide immigrant inclusion services and resources are left without the capacity to provide more streamlined support to their immigrant communities. Despite immigrants existing across regions in the

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[111] Sumption, M., & Flamm, S. (2012). *The economic value of citizenship for immigrants in the United States*. Washington, DC: Migration Policy Institute; Enchautegui, M. E., & Giannarelli, L. (2015). The economic impact of naturalization on immigrants and cities. *Urban Institute*.

[112] Flores, E. (2026, February). *The effects of federal immigration enforcement on private sector employment in six states and Washington, D.C.* UC Merced Community and Labor Center. https://clc.ucmerced.edu/sites/g/files/ufvvjh626/f/page/documents/effects_of_federal_immigration_enforcement_feb.pdf; Ciancio, A., & García-Jimeno, C. (2024). The political economy of immigration enforcement: Conflict and cooperation under federalism. *Review of Economics and Statistics*, *106*(6), 1460-1476; Los Angeles County Department of Economic Opportunity, & Los Angeles County Economic Development Corporation. (2026, February). *Economic impacts of federal immigration enforcement in Los Angeles County*. https://opportunity.lacounty.gov/wp-content/uploads/2026/02/LAEDCxDEO-Economic-Impacts-of-Federal-Immigration-Enforcement.pdf

[113] American Immigration Council. (2024, August 14). *The cost of immigration enforcement and border security*. https://www.americanimmigrationcouncil.org/fact-sheet/the-cost-of-immigration-enforcement-and-border-security/

[114] American Immigration Council. (2025, July 14). *What's in the "Big Beautiful Bill"? Immigration and border security unpacked.* https://www.americanimmigrationcouncil.org/fact-sheet/big-beautiful-bill-immigration-border-security/

[115] U.S. Citizenship and Immigration Services. (2024, June 24). *Fiscal Year 2024 Citizenship and Integration Grant Program*. https://www.uscis.gov/archive/fiscal-year-2024-citizenship-and-integration-grant-program

U.S., entities like Offices of Immigrant Affairs (OIAs) exist in only about 73 localities.[116] In the largest 100 cities in the U.S., only about a third have an OIA.[117]

The lack of infrastructure and funding for a dedicated hub and ecosystem of institutions working toward immigrant inclusion has created a strain on existing agencies, community-based organizations (CBOs), and communities. These stakeholders do not have equitable access to resources and information to implement programs and policies to support the inclusion of immigrants into local labor markets, civic institutions, and community and society. This lack of infrastructure is further shaped by the politicization of immigrants and the delegitimization of immigrant inclusion efforts and immigrant-serving institutions.[118]

Lack of Policy Coordination

Immigrant inclusion in the U.S. commonly develops locally or regionally rather than federally given the uneven distribution of resources invested in immigrant inclusion efforts and localized priorities, producing uneven progress. There has been an array of approaches to immigrant inclusion involving a multitude of actors and stakeholders (e.g., direct service organizations, civic engagement nonprofits, human service agencies, working groups, and offices of immigrant affairs, or OIA's). Strategically connecting efforts and institutions is key: although issues with immigrant inclusion may be identified and recognized (e.g., workforce needs, language barriers, civic participation gaps), solutions may remain fragmented or technical rather than a political priority. As such, local innovations and efforts such as language access initiatives and OIAs can remain isolated and may not translate into coordinated regional or national strategies.

Research suggests that more coordinated change happens when there are "policy entrepreneurs" – individuals or organizations that invest resources, ideas, and political capital to couple problems, policies, and political opportunities.[119] Regions where policy entrepreneurs with relevant expertise are absent often operate in isolation, creating a patchwork of policies and limiting regional coordination among actors who can complement each other's work. When policy entrepreneurs exist (e.g., civic leaders, immigrant coalitions, mayors, service providers) and whose priorities around immigrant inclusion are aligned, effective networks are built where policies and efforts can be diffused across regions.[120]

Policy entrepreneurs play a key role in framing immigrant inclusion as a shared public good rather than a niche issue. Without policy entrepreneurs, immigrant inclusion is often framed narrowly as immigration policy, which can be politically polarizing and an incomplete narrative. Further, without policy entrepreneurs with relevant expertise, policymakers fail to connect immigrant inclusion to economic

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[116]Jiménez, T. R., & Vargas Nuñez, C. (2024). Going Local: Public Attitudes toward Municipal Offices of Immigration Affairs. *American Political Science Review*, *118*(3), 1533–1540. doi:10.1017/S0003055423001077

[117] American Immigration Council. (2021, September 30). *NAE Cities Index 2021.* https://www.americanimmigrationcouncil.org/report/nae-cities-index-2021/

[118] Kirsch, J., Raut, S., Alvarez-Padilla, Y., & Maleku, A. (2023). The forgotten human service sector: Leadership narratives of immigrant and refugee-led community-based ethnic organizations. *Human Service Organizations: Management, Leadership & Governance*, *47*(3), 176-193.

[119] Cairney, P., & Jones, M. D. (2016). Kingdon's multiple streams approach: what is the empirical impact of this universal theory?. *Policy studies journal*, *44*(1), 37-58.

[120] Shipan, C. R., & Volden, C. (2008). The mechanisms of policy diffusion. *American journal of political science*, *52*(4), 840-857.

benefits (e.g., workforce competitiveness) and regional resilience. As such, cross-sector coalitions and coordinated efforts across actors, including business leaders, labor, local government, and community organizations, remain weak.

Across the U.S., there have been successful local immigrant inclusion efforts, initiatives, and advocacy; however, scaling them nationally or across regions requires interconnected policy entrepreneurs. Otherwise, these efforts remain localized and isolated despite their success. Notably, the National Partnership for New Americans (NPNA) is one of a very few collectives that have been working across the country to bring together different players to advance immigrant equity and inclusion at the state, local, and federal levels through advocacy, policy, and services. Given NPNA's success in connecting partners, its model can be further invested in and expanded.

A key reason for the limited emergence of policy entrepreneurs in immigrant inclusion efforts is the structural position and resource constraints facing the institutions most closely connected to immigrant communities. Historically, nonprofits and CBOs have played a central role in addressing the needs of immigrant communities, delivering culturally responsive services, and facilitating integration while preserving language and cultural identity. As many of these organizations are led by members of the immigrant communities they serve, they function as trusted messengers and often fill gaps left by mainstream service providers. However, these same organizations frequently operate with limited funding, small staff capacity, and little institutional power to influence policy or structural conditions such as poverty and labor market exclusion.[121] As a result, immigrant-serving organizations often remain focused on service delivery and crisis response rather than policy entrepreneurship, which requires sustained political engagement, coalition building, and strategic advocacy.

These constraints are compounded by legitimacy and funding barriers within broader human service and philanthropic ecosystems. Immigrant-serving CBOs, for example, often possess strong social networks and cultural ties within immigrant communities; however, they struggle to secure direct funding from federal or large philanthropic sources. At the same time, mainstream service organizations that have greater access to funding and institutional legitimacy frequently lack the cultural competence or incentives to prioritize immigrant-specific outreach, often assuming their services are universally accessible because they "serve anyone."[122] This mismatch leaves immigrant-serving institutions with strong community relationships but insufficient resources and institutional standing to act as limited policy entrepreneurs capable of advancing systemic change.[123]

Public sector institutions that could otherwise cultivate policy entrepreneurship also face structural limitations. State, county, and city OIAs frequently operate with small staffs and limited and often unstable budgets, constraining their ability to develop new initiatives, convene cross-sector

[121] Roth, B. J., Gonzales, R. G., & Lesniewski, J. (2015). Building a Stronger Safety Net: Local Organizations and the Challenges of Serving Immigrants in the Suburbs. *Human Service Organizations: Management, Leadership & Governance*, *39*(4), 348–361.
[122] Roth, B. J., Gonzales, R. G., & Lesniewski, J. (2015). Building a Stronger Safety Net: Local Organizations and the Challenges of Serving Immigrants in the Suburbs. *Human Service Organizations: Management, Leadership & Governance*, *39*(4), 348–361; Kirsch, J., Raut, S., Alvarez-Padilla, Y., & Maleku, A. (2023). The Forgotten Human Service Sector: Leadership Narratives of Immigrant and Refugee-Led Community-Based Ethnic Organizations. *Human Service Organizations: Management, Leadership & Governance*, *47*(3), 176–193.
[123] Kirsch, J., Raut, S., Alvarez-Padilla, Y., & Maleku, A. (2023). The Forgotten Human Service Sector: Leadership Narratives of Immigrant and Refugee-Led Community-Based Ethnic Organizations. *Human Service Organizations: Management, Leadership & Governance*, *47*(3), 176–193.

partnerships, or invest in long-term policy innovation.[124] Building durable relationships with CBOs and community institutions requires sustained engagement and resources, yet, many OIAs are instead pulled into reactive service coordination or grant administration. As CBOs often depend on these offices for funding support, under-resourced CBOs rely on government agencies for support; however, under-resourced agencies lack the capacity to build the broader ecosystem that would strengthen community organizations and enable collaborative policy development.[125]

These structural dynamics have limited the emergence of policy entrepreneurs capable of advancing immigrant inclusion efforts across jurisdictions. The institutions most connected to immigrant communities often lack the resources, legitimacy, or institutional authority to influence policy, while better-resourced mainstream institutions frequently lack the relationships or incentives to champion immigrant inclusion work. As a result, collaboration across organizations and sectors remains uneven, leaving service systems fragmented and allowing immigrants seeking support to fall through the cracks. Where immigrant inclusion efforts have been most successful, they tend to involve intentional partnerships between government immigrant affairs offices and local CBOs, supported by sustained investment and network-building that allows trusted community institutions to move beyond service provision and participate more actively in shaping policy and regional integration strategies.[126]

The Politicization and Villainization of Immigrants

Past failures in immigrant inclusion efforts can also be explained by barriers within the politics stream, including polarized immigration discourse, organized political opposition, and short-term political priorities. Even when immigrant inclusion efforts have clear benefits and viable policy solutions exist, political dynamics often prevent policy windows from being successfully leveraged. Progress often stalls because the broader political environment remains volatile and highly polarized around immigration.

In recent years, the politicization of immigrants, particularly during and after the first Trump administration, has intensified the political instability around immigration. Federal actions targeting immigrants were met with strong counter-mobilization from immigrant advocates and coalitions, producing sharp policy swings across states and municipalities. Some jurisdictions adopted protective policies, such as California's TRUTH Act (2016), which increased transparency around local collaboration with Immigration and Customs Enforcement (ICE), and the California Values Act (2017), which limited cooperation between local law enforcement and federal immigration authorities. At the same time, opposition emerged even within pro-immigrant states, as seen in efforts by municipalities such as Huntington Beach to challenge or circumvent sanctuary policies.127 These competing political forces illustrate how immigrant inclusion policy often becomes entangled in broader ideological conflicts about immigration itself, making sustained policy progress difficult.

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[124] de Graauw, E., & Bloemraad, I. (2017). Working Together: Building Successful Policy and Program Partnerships for Immigrant Integration. *Journal on Migration and Human Security*, *5*(1), 105-123.

[125] de Graauw, E., & Bloemraad, I. (2017). Working Together: Building Successful Policy and Program Partnerships for Immigrant Integration. *Journal on Migration and Human Security*, *5*(1), 105-123.

[126] de Graauw, E., & Bloemraad, I. (2017). Working together: Building successful policy and program partnerships for immigrant integration. *Journal on Migration and Human Security*, *5*(1), 105-123; Martone, J., Zimmerman, D., Vidal de Haymes, M., & Lorentzen, L. (2014). Immigrant integration through mediating social institutions: Issues and strategies. *Journal of Community Practice*, *22*(3), 299-323.

[127] Szabo, M. (2025, January 22). *Huntington Beach City Council declares city nonsanctuary, friendly to Trump immigration policies.* https://www.latimes.com/socal/daily-pilot/news/story/2025-01-22/huntington-beach-city-council-declares-city-non-sanctuary-friendly-to-trump-policies

Political fragmentation across levels of government further reinforces these barriers. Immigration federalism has produced a patchwork of policies in which some states enact protective measures while others adopt restrictive laws that limit local autonomy.128 In states such as Arizona and Georgia, preemption laws require or authorize local law enforcement to inquire about immigration status or prevent municipalities from adopting sanctuary-style policies.129 These legal constraints can severely limit the capacity of OIAs to implement inclusion initiatives, even when local leaders and community advocates support them. In such contexts, local OIAs must redirect scarce resources toward navigating legal constraints or defending existing programs rather than developing new policy and programmatic solutions.

Politics has repeatedly disrupted immigrant inclusion efforts. The villainization of immigrants in national political discourse, swings in public opinion, and shifts in political leadership create an environment in which policies supporting immigrant inclusion are vulnerable to reversal or stagnation. As a result, immigrant inclusion efforts often remain fragmented, uneven across regions, and heavily dependent on the prevailing political climate rather than on sustained institutional commitment.

The Game Changer: Investing in a Federally Supported and Regionally Connected Infrastructure for Immigrant Inclusion

Past failures in advancing immigrant inclusion policy can be understood through several recurring challenges: the lack of sustained recognition of immigrant inclusion as a national priority and benefit, the absence of institutional structures, and the political volatility surrounding immigration that disrupts long-term policy implementation and programmatic investments. To address these failures, the federal government should reallocate a portion of immigration enforcement spending toward immigrant inclusion initiatives by establishing a state and regional block grant program that funds state and regional Offices of Immigrant Inclusion (OIIs). States and regions then can establish OIIs that can serve as coordinating hubs that connect immigrant-serving institutions, including state and local governments, CBOs, businesses, and philanthropic partners. OIIs' key functions as regional coordinators of immigrant inclusion strategies and services can include:

- **Building partnerships and networks.** OIIs would convene community-based organizations, local governments, human service agencies, legal clinics, employers, and philanthropic institutions to coordinate services and share resources. These partnerships ensure that immigrants can access services through trusted community institutions while reducing duplication and service gaps.
- **Supporting community-based organizations.** OIIs would provide funding and technical assistance to CBOs that deliver culturally and linguistically responsive services, strengthening the capacity of trusted community institutions.
- **Developing cross-regional policy coalitions.** By connecting state and regional offices across the country, OIIs would help coordinate policy advocacy, share best practices, and advance national immigrant inclusion strategies.

128 Hall, M. A., Mann-Jackson, L., & Rhodes, S. D. (2021). State Preemption of Local Immigration "Sanctuary" Policies: Legal Considerations. American journal of public health, 111(2), 259–264.
129 Hall, M. A., Mann-Jackson, L., & Rhodes, S. D. (2021). State Preemption of Local Immigration "Sanctuary" Policies: Legal Considerations. American journal of public health, 111(2), 259–264.

- **Strengthening policy entrepreneurship.** Dedicated institutional infrastructure allows policymakers, advocates, and community leaders to develop and scale policy solutions that promote immigrant integration, overcoming past fragmentation and capacity constraints.

This strategic investment addresses past failures by institutionalizing immigrant inclusion as a core policy priority rather than treating inclusion efforts as isolated programs. The U.S. has historically invested heavily in immigration enforcement while neglecting the infrastructure needed to support immigrant integration into local labor markets, civic institutions, and community life. State and regional OIIs would provide a formal structure for identifying barriers to inclusion, coordinating services across sectors and actors, and developing comprehensive strategies that address economic, social, and civic inclusion.

This investment will address the lack of policy entrepreneurs by creating institutional ecosystems that enable collaboration among government agencies, community organizations, and private partners. Many immigrant-serving institutions currently operate in silos with limited resources and capacity to influence policy and to provide comprehensive services. An ecosystem of OIIs will help cultivate cross-sector coalitions and policy leadership by convening stakeholders and actors, supporting CBOs that serve as trusted messengers, and coordinating policy and programmatic innovation across regions. By strengthening these networks and ecosystems, the OIIs would enable local leaders, advocates, and policymakers to develop and scale inclusion strategies more effectively.

By distributing immigrant inclusion infrastructure through legislation and across multiple levels of government and funding sources, this strategy will protect immigrant inclusion efforts from political swings and across political cycles. Immigration policy is highly politicized, and changes in political leadership often disrupt integration initiatives. States and localities have the authority to enact policies that protect immigrants and facilitate their inclusion. Establishing permanent and well-funded offices dedicated to immigrant inclusion can maintain continuity of services regardless of political changes. Codifying protections through legislation will also make these investments more durable than executive orders. A federal block grant model would provide stable funding for state and regional offices while allowing states and regions to tailor programs to local contexts. In states and regions that decline participation for political reasons, counties and metropolitan regions should be eligible to apply directly for federal funding so that immigrant inclusion infrastructure can still develop where local support exists.

In addition, partnerships with philanthropic institutions and private organizations can diversify funding sources and strengthen resilience against political and economic shocks. In states with stronger anti-immigrant sentiment, CBOs have turned to well-resourced philanthropic partners to fund immigrant inclusion efforts led by nonprofits and private foundations. For example, in Texas, the Houston Endowment funds organizations that support immigrants and their civic engagement efforts within immigrant communities. Philanthropy also plays a critical role in facilitating partnerships and collaboration across states. The National Partnership for New Americans (NPNA) is a coalition of immigrant and refugee-serving organizations across the nation that facilitates relationships with local governments. Their programs include Cities & Counties for Citizenship, which is a national initiative of 117 cities and counties aimed at increasing citizenship among eligible U.S. permanent residents. Additionally, in 2023, the Houston Endowment awarded a $2.13 million grant to NPNA to build

infrastructure within local government to expand naturalization initiatives and to train "community navigators" to support eligible-to-naturalize immigrants. [130]

Public-private partnerships between local governments and private philanthropy enable diverse programs with broad reach. Diverse funding sources will also help protect against exogenous shocks at the federal level. Beginning in 2025, nonprofits across sectors faced government funding cancellations and freezes. The disruption in funding led to hiring freezes, mass layoffs, a decrease in programs, and, ultimately, a decline in people served.[131] Federal funding cuts also impacted organizations that receive state and local government grants, since many are at least partially funded by federal sources.[132] State grants that remained then became more competitive. Even nonprofits that do not receive any government funding were impacted because the entire fundraising and funding landscape shifted in response to government funding disruptions.[133] An unstable funding environment makes it difficult for nonprofits to plan ahead, as they are unsure whether they will have the funds to implement their plans. Thus, diverse funding sources need to be further developed to withstand funding disruptions.

Partnering with CBOs, especially those that focus on labor-community ties and/or labor rights, will create a robust infrastructure that effectively promotes labor conditions and standards for all. Immigrants are highly receptive to labor and community organizing, which OIIs can leverage to promote involvement in labor organizations and unions.[134] Research has shown that due to a lack of culturally and linguistically responsive environment, among other factors, union involvement has previously seen a decline.[135] At the end of the twentieth century, as immigration rates were on the rise, union membership among newcomers was on a decline.[136] This decline reduces collective bargaining power that leaves all workers, including immigrants and their native born counterparts, more susceptible to workplace violations, wage theft, and inadequate workplace protections. These trends have persisted into the twenty-first century; however, it can be remedied by providing technical assistance and funding to labor organizations, which would be anchored by OIIs.[137] Promoting unionization among working newcomers requires inclusion into organizing strategies, which some have argued is the catalyst labor organizing needs.

These investments would transform immigrant inclusion efforts from fragmented, short-term interventions into a comprehensive and coordinated national strategy. A federally supported network of

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[130] Rainey, D. (2023, August 15). *Houston Endowment: Advancing equity of opportunity for all*. Independent Sector. Retrieved March 2026, from https://independentsector.org/blog/houston-endowment-advancing-equity-of-opportunity-for-all/

[131] Urban Institute. (2025, October 7). How government funding disruptions affected nonprofits in early 2025: Nationally representative findings from the Nonprofit Trends and Impacts Study. https://www.urban.org/research/publication/how-government-funding-disruptions-affected-nonprofits-early-2025

[132] Urban Institute. (2025, October 7). How government funding disruptions affected nonprofits in early 2025: Nationally representative findings from the Nonprofit Trends and Impacts Study. https://www.urban.org/research/publication/how-government-funding-disruptions-affected-nonprofits-early-2025

[133] Urban Institute. (2025, October 7). *How government funding disruptions affected nonprofits in early 2025: Nationally representative findings from the Nonprofit Trends and Impacts Study*. https://www.urban.org/research/publication/how-government-funding-disruptions-affected-nonprofits-early-2025

[134] Wells, M. (2000). Immigration and Unionization in the San Francisco Hotel Industry. In R. Milkman (Ed.), Organizing Immigrants: The Challenge for Unions in Contemporary California. Cornell University Press.

[135] Waldinger, R., & Der-Martirosian, C. (2000). Immigrant Workers and American Labor: Challenge ... or Disaster? In R. Milkman (Ed.), Organizing Immigrants: The Challenge for Unions in Contemporary California. Cornell University Press.

[136] Voss, K., & Sherman, R. (2000). Breaking the iron law of oligarchy: Union revitalization in the American labor movement. *American Journal of Sociology*, *106*(2), 303-349.

[137] Lai, T. (2021). Legal exclusion, civic exclusion: how legal status stratifies Latino immigrants' civic engagement. *International Migration Review*, *55*(1), 195-226.

OIIs and key community partners (e.g., philanthropic groups, labor unions, immigrant-serving CBOs) will enable states and regions to develop sustainable systems that promote economic mobility, civic participation, and community well-being for immigrant populations.

Economic Rationale and Feasibility

Investing in a coordinated ecosystem of immigrant-serving institutions that is anchored by state- and regionally-led OIIs is supported by a strong economic rationale grounded in research on regional resilience, labor market dynamism, and wage growth. Research has shown that regions with broader occupational access for immigrants and more diversified industrial structures are better able to withstand sector-specific shocks and sustain long-term growth, suggesting that exclusionary or segmented immigration policies ultimately weaken regional economies.[138] Additional evidence demonstrates that immigrant diversity generates measurable wage gains for both immigrants and native-born workers; however, only where inclusive institutions, such as pro-immigrant ordinances, strong social capital networks, and accessible public services, are present.[139] In regions with highly inclusive institutional environments, increases in immigrant diversity are associated with significantly larger wage gains than in places with weak or exclusionary policies, underscoring that institutional design is a key mediator between demographic change and shared prosperity. Together, the research shows that proactive public investment in inclusive governance infrastructure is not solely a social equity intervention but a strategy for broad-based economic competitiveness and resilience.

OIIs can operationalize this economic potential by coordinating workforce development, credential recognition, language access, naturalization support, and sustained post-arrival services across immigrant statuses – areas where fragmented and short-term funding currently limits participation and productivity. Through this ecosystem, both direct services and advocacy can support expanding access to immigrant inclusion programs and policies such as educational opportunities, paid training pathways, professional licensing in high-demand sectors such as healthcare and interpretation, and long-term integration services, which would increase labor force participation, earnings, and tax contributions while reducing downstream social costs associated with exclusion.[140] Such an ecosystem can address intersectional barriers, including anti-Black racism within immigrant integration systems and the civic marginalization that emerges when communities are unable to fully participate economically or politically, thereby strengthening social cohesion.[141] By aligning economic development, workforce strategy, and civic inclusion under a unified institutional framework, states and regions can transform immigrant inclusion from a patchwork of services into a durable engine of shared growth, fiscal stability, and community resilience.

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[138] Lester, T. W., & Nguyen, M. T. (2016). The economic integration of immigrants and regional resilience. *Journal of Urban Affairs*, *38*(1), 42-60.

[139] Kemeny, T., & Cooke, A. (2017). Urban immigrant diversity and inclusive institutions. *Economic Geography*, *93*(3), 267-291; Eraydin, A., Tasan-Kok, T., & Vranken, J. (2010). Diversity matters: Immigrant entrepreneurship and contribution of different forms of social integration in economic performance of cities. *European Planning Studies*, *18*(4), 521-543.

[140] Condon, M., Filindra, A., & Wichowsky, A. (2016). Immigrant inclusion in the safety net: A framework for analysis and effects on educational attainment. *Policy Studies Journal*, *44*(4), 424-448; Heller, B. H., & Mumma, K. S. (2023). Immigrant integration in the United States: the role of adult English language training. *American Economic Journal: Economic Policy*, *15*(3), 407-437.

[141] Tesfai, R. (2016). The interaction between race and nativity on the housing market: Homeownership and house value of black immigrants in the United States. *International Migration Review*, *50*(4), 1005-1045; Tesfai, R., & Thomas, K. J. (2020). Dimensions of inequality: Black immigrants' occupational segregation in the United States. *Sociology of Race and Ethnicity*, *6*(1), 1-21.

Evidence from existing OIAs illustrates the scale and feasibility of these investments. Budgets for such offices generally reflect the size and diversity of the immigrant populations they serve. For example, 20% of Seattle's population is foreign-born, and Seattle's Office of Immigrant and Refugee Affairs (OIRA) has a budget of about $6.7 million.[142] At the county level, Los Angeles's OIA has an approximate $4.1 million budget to support immigrant communities, including case management on immigration court proceedings, and receives additional funding for immigrant assistance services as needed.[143] Comparatively, in Michigan, the Office of Global Michigan has a budget of about $43.9 million, and New York's state Office of New Americans has a budget of about $44.2 million.[144] These investments represent relatively modest expenditures compared to the broader economic benefits generated through improved labor force participation, workforce development, and civic integration.

Based on various state and local budgets, establishing OIIs nationwide would cost only a small fraction of the $240 billion that has been added toward immigration- and border enforcement-related activities through H.R.1. (One Big Beautiful Bill) and S.2 (Secure America Act). For example, using upper-bound costs of already-established offices for rough estimations, establishing offices in all 50 states (~$45 million per state-level OII), offices in the top 100 most populous cities in the U.S. (~$7 million per city-level OII), and offices in the largest three counties in each state (~$4 million per county-level OII) could cost approximately $3.55 billion dollars annually – approximately only 1.5% of $240 billion.[145]

Programs supported through this ecosystem also produce substantial measurable fiscal returns and savings. For example, ensuring immigrants have access to legal representation and due process (e.g., universal or merit-blind representation programs) yields significant economic benefits. A 2024 report by the New York City Controller's office estimated that if the approximately 53,000 New Yorkers facing deportation proceedings were able to access legal representation and were able to remain in the state, the resulting economic activity would produce an estimated net benefit of $8.4 billion for federal, state, and local governments over 30 years. Similarly, analyses of newly arrived immigrants in New York City estimate that if each worker earned a median annual wage of $23,000, every 1,000 immigrant workers would generate $23 million in wages and contribute approximately $2.6 million in state and local tax revenues, on top of the benefits to the local economy from increased economic activity.[146] Conversely, policies centered on large-scale deportation would lead to a loss of an estimated $40 billion in GDP in

[142] City of Seattle, Office of Immigrant and Refugee Affairs. (2025). *Office of Immigrant and Refugee Affairs: 2026 Proposed Budget* (2026 Proposed Budget). Seattle Finance Department. Retrieved from https://www.seattle.gov/documents/Departments/FinanceDepartment/2026proposedbudget/OIRA.pdf

[143] County of Los Angeles Chief Executive Office. (2024). *2024-25 Supplemental Budget fact sheet* (Fact Sheet No. 1168729). Los Angeles County. https://file.lacounty.gov/SDSInter/lac/1168729_2024-25SupplementalBudgetFactSheet_Final.pdf

[144] Michigan House Fiscal Agency. (2025). *FY 2025-26 Labor and Economic Opportunity – Summary of FY 2025-26 Enacted: Public Act 22 of 2025 (House Bill 4706, Article 9)*. Michigan House of Representatives. https://www.house.mi.gov/hfa/PDF/Summaries/25h4706_LEO_Enacted.pdf; New York State Division of the Budget. (2024). *State, Department of – Agency appropriations: FY 2025 New York State Executive Budget*. NY State Division of the Budget. https://www.budget.ny.gov/pubs/archive/fy25/ex/agencies/appropdata/StateDepartmentof.html

[145] There is no widely-cited cost-benefit analysis examining the impact of Offices of Immigrant Inclusion; however, multiple studies cited in this paper collectively suggest the net benefits of immigrant inclusion efforts and supports their economic logic (e.g., integration programs increase employment and wages, immigrants contribute more in taxes than they receive in benefits over time; exclusionary policies impose large economic costs; coordinated institutions improve program effectiveness and policy alignment).

[146] *New Immigrants Arriving in the New York City: Economic Projections*, Immigration Research Initiative (Jan. 8, 2024), https://immresearch.org/publications/new-immigrants-arriving-in-the-new-york-city-economic-projections/.

the state of New York over 10 years.[147] Nationally, deportation policies could reduce GDP by about 1.4% in the first year and by an estimated $4.7 trillion over a decade.[148]

Additional evidence highlights the long-term fiscal benefits of immigrant inclusion efforts. A study by the U.S. Department of Health and Human Services found that refugees and asylees generated a positive fiscal impact of $123.8 billion over a 15-year period.[149] During that time period, the federal, state, and local governments spent an estimated $457.2 billion supporting refugees and asylees, while these populations contributed an estimated $581 billion in tax revenues and public contributions.[150] These findings reinforce the broader economic principle that investments in immigrant inclusion generate net positive fiscal returns over time as immigrants enter the workforce, increase earnings, and contribute to local economies.

The economic returns from immigrant inclusion efforts stand in stark contrast to the scale of federal spending on immigration enforcement. The $240 billion allocated to immigration enforcement through H.R. 1 and S.2 far exceeds the public investments directed toward immigrant inclusion infrastructure. This enforcement-heavy approach carries significant opportunity costs by reducing potential labor force participation, tax contributions, and economic growth that would otherwise result from immigrants' full economic inclusion. By contrast, investing in immigrant inclusion through coordinated institutions and services ensures that immigrants can safely participate in the labor market, contribute to regional economies, and build long-term economic stability. Given the central role immigrants play in the U.S. economy, strengthening immigrant inclusion infrastructure through a coordinated immigrant safety net and OIIs represents a fiscally responsible strategy to maximize economic contributions, support workforce development, and promote sustainable growth.

Final Thoughts

Immigration plays a central role in the U.S. economy. Immigrants make up about 15% of the population and nearly 20% of the workforce, contributing as workers, consumers, and entrepreneurs. Research consistently shows that immigration expands economic productivity by increasing labor supply, stimulating investment, and fostering innovation. Immigrants also make substantial fiscal contributions: collectively earning more than $2 trillion in household income and paying approximately $382.9 billion in federal taxes and $196.3 billion in state and local taxes, leaving about $1.6 trillion in spending power that supports local economies.

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[147] Ryan Edwards & Francesc Ortega, *The Economic Impacts of Removing Unauthorized Immigrant Workers*, Center for American Progress (Sep. 2016), https://www.americanprogress.org/wpcontent/uploads/sites/2/2016/10/massdeport1003.pdf.

[148] Edwards, R., & Ortega, F. (2016, September). *The economic impacts of removing unauthorized immigrant workers: An industry- and state-level analysis*. Center for American Progress. https://www.americanprogress.org/wp-content/uploads/sites/2/2016/10/massdeport1003.pdf

[149] Ghertner, R. (2024, February 15). *The fiscal impact of refugees and asylees over 15 years*. U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. https://aspe.hhs.gov/sites/default/files/documents/3dd52e6be9abfa2b7462be0fb3a9c81f/aspe-brief-refugee-fiscal-impact-study.pdf

[150] Ghertner, R. (2024, February 15). *The fiscal impact of refugees and asylees over 15 years*. U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. https://aspe.hhs.gov/sites/default/files/documents/3dd52e6be9abfa2b7462be0fb3a9c81f/aspe-brief-refugee-fiscal-impact-study.pdf

Demographic trends highlight the importance of immigration and immigrant inclusion. As birth rates decline and the population ages, immigrants help sustain the working-age population that supports programs such as Social Security and Medicare. Policies that regularize undocumented workers and expand legal pathways can also improve economic efficiency, allowing workers to move into higher-productivity jobs and participate more fully in the formal economy. In contrast, enforcement-heavy policies carry significant fiscal costs and can disrupt labor markets by removing workers from key sectors. Aligning immigration policy with economic realities would strengthen productivity, expand tax revenues, and support long-term economic growth.

We have proposed a three-part approach to addressing our immigration issues: regularize undocumented Americans with a path to citizenship; establish more orderly pathways for legal immigration; and promote immigrant inclusion at a state and local level to reduce tensions, spur mobility, and maximize the benefits for all Americans. But we also know that immigration policy cannot be evaluated or designed in isolation from the global economic and political forces that drive migration. As such, it is prudent to consider how global shocks and shifts may impact our proposed policy package.

Indeed, our suggested policies will not resolve irregular migration if the structural economic conditions and global crises that drive migration remain unchanged. Policies need to be explicitly designed to build adaptive capacity for surges in migration driven by trade disruptions, climate events, and/or global crises rather than treating any given migration baseline as stable. Durable policy must therefore combine near-term domestic tools (e.g., our proposed three-part game changer) with upstream structural interventions that address the conditions producing migration in the first place.

While this is mostly beyond the scope of this backgrounder, we want to call attention to three complementary policy shifts that are needed to address structural conditions that govern future flows of global migration: adjustment support in response to trade shifts, enforcing global labor standards, and addressing climate change. On the first of these, contemporary trade agreements allow goods and capital to move relatively freely across borders while labor mobility remains tightly restricted. This asymmetry both reflects and reinforces a power imbalance. When trade openings are not accompanied by adequate adjustment support, workers displaced from import-competing sectors migrate; moving under these conditions reflects rational economic behavior, not individual failure.

While specific trade adjustment support is useful, equally important is a commitment to labor standards. U.S. trade agreements already contain labor provisions requiring trading partners to enforce minimum wage laws, protect the right to organize, and ensure safe working conditions. Yet, these provisions have historically been weakly enforced and have not produced sufficient wage convergence to meaningfully reduce migration pressures.[151] Without stronger enforcement, productivity gains from trade tend to accrue primarily to capital rather than workers, leaving the wage differentials that drive migration largely intact (see Game Changers background paper on *North American Trade that Works for Workers* for more).

The failure of past agreements to enforce labor standards does not mean enforcement is impossible. Evidence suggests that stronger enforcement could make a meaningful difference. Unlike NAFTA, the U.S.–Mexico–Canada Agreement (USMCA) includes a Facility-Specific Rapid Response Labor Mechanism that allows targeted tariff actions against specific facilities found to be violating workers' rights, a more

[151] Kolben, K. (2023, February 28). *Labor chapters improve supply chain resilience: The case of the USMCA*. Brookings Institution. https://www.brookings.edu/articles/usmca-forward-2023-chapter-7-labor-standards/

direct enforcement tool.[152] The U.S. International Trade Commission has estimated that labor reforms associated with the USMCA could increase wages for Mexican union workers and help narrow wage disparities between the two countries.[153] This indicates that policy tools capable of reducing migration pressures already exist; however, their effectiveness depends on enforcement mechanisms strong enough to produce real consequences for violations.

Alongside labor standards enforcement, the structure of foreign investment also matters. Investment that generates living-wage employment, supports small-scale agriculture, and reinvests productivity gains locally can reduce the income differentials that drive migration. Investment structured primarily to exploit wage differentials, without broader local economic development, reproduces those differentials over time. Trade agreements have long protected the rights of investors and corporations operating across borders. Extending equivalent protections to workers, through enforceable labor standards, would reduce the wage disparities that make migration economically necessary.

Finally, climate change, through drought, flooding, and agricultural disruption, is an increasingly significant force displacing people from Central America and other regions. Addressing migration pressures over the long term will require climate policy alongside trade and labor reforms. A citizenship-centered regularization program addresses the current undocumented population. Enforced labor standards, development-oriented investment, and climate policy together address the structural conditions that will continue to drive migration.

Let us return to where we started: the broader social context in which immigration policy is embedded. We acknowledge that every policy area where progressives seek change can be fraught – but there are few aside from immigration policy where the ideological heat so exceeds the empirical back-and-forth. Immigration debates are not simply about self-interest as defined by pecuniary gains or losses but about a sense of self reified by a narrow conception of what it means to be American. That cultural anxiety has been weaponized by a wealthy class of elites who hopes that we will blame those by our side rather than those who hover above.

The real test of immigration and immigrant inclusion policy – and indeed any economic policy that progressives may propose – is whether it works to address key problems, changes the narrative to stress interdependence, and shifts the balance of power away from those who profit from division and polarization. Policy change cannot be divorced from a broader task of changing the story, the politics, and the underlying balance of power. That means that policy packages must be threaded together with and serve the needs of those labor- and community-based movements seeking to secure political and economic democracy for all.

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[152] Kolben, K. (2023, February 28). *Labor chapters improve supply chain resilience: The case of the USMCA*. Brookings Institution. https://www.brookings.edu/articles/usmca-forward-2023-chapter-7-labor-standards/

[153] U.S. International Trade Commission. (2019, April). *U.S.-Mexico-Canada Trade Agreement: Likely impact on the U.S. economy and on specific industry sectors* (Investigation No. TPA 105-003, Publication No. 4889). https://www.usitc.gov/publications/332/pub4889.pdf; Cimino-Isaacs, C. D., & Villarreal, M. A. (2020, January 10). *USMCA: Labor provisions* (CRS Report No. IF11308). Congressional Research Service. https://www.congress.gov/crs-product/IF11308

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