GAME CHANGERS
Economic Policies for a Working America

POLICY BRIEF

THE WEALTH OF WELCOME: Immigration Reform that Works for America

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The Problem

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 reason for the policy stalemate is that immigration policy is not just economic. 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 must deal with these political and social dynamics as well as with the economic reality that the U.S. needs immigrants.

Past Failures to Solve the Problem

To be clear, immigration is not the problem. Rather, the issue is the failure to align legal immigration pathways and integration efforts with the country's economic needs. Meaningful reforms have repeatedly stalled and the nation has increasingly relied on stepping up enforcement rather than modernizing immigration systems. Since the early 2000s when the Department of Homeland Security (DHS) was created, annual federal spending on immigration enforcement grew over 1,300% from $3.3 billion in 2003 to about $46.5 billion[1] after the passage of the "One Big Beautiful Bill" in 2025 and the "Secure America Act" in 2026. These investments have done little to

1 Assuming the agency spends the $75 billion supplement from the One Big Beautiful Bill and the nearly $70 billion from the Secure America Act at a steady pace over the proposed four years.

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resolve labor shortages or significantly reduce undocumented immigration. Meanwhile, outdated quotas, visa backlogs, and administrative inefficiencies limit legal pathways, leaving labor demand high while lawful entry channels remain constrained and lead to economic inefficiencies.

Game Changer: A Comprehensive Immigration Reform Package

To be effective economically and politically, immigration policy should be welcoming, orderly, and work to achieve mutual gains. It should recognize that climate change and global catastrophes have contributed to recent flows and will continue to be a push factor in the future. It should be based on empirical evidence, a recognition of immigrant diversity, and a commitment to labor and community organizing to enhance worker power and build ties between newcomers and long-established residents. Embracing these principles, we propose a three-part strategy:

- **Regularize Undocumented Residents Currently in the United States**: Millions of undocumented immigrants have lived in the United States for years – nearly 7 million for more than a decade – and are deeply integrated into the nation's workforce, families, and communities. A regularization program should provide undocumented immigrants who have resided in the United States for a minimum period with a pathway to lawful permanent residence and ultimately citizenship. Regularization will allow workers currently operating in the shadow economy to transition into formal employment, increasing job mobility, strengthening labor protections, and improving the alignment between workers' skills and available jobs. By stabilizing the legal status of long-term residents, this policy will also reduce worker exploitation and mitigate labor market competition created by precarious immigration status.
- **Expanding and Diversifying Legal Pathways to the United States**: The current immigration system relies on a limited set of visa categories that often fails to reflect the evolving needs of the U.S. economy (as well as the reality that climate change will drive more international migration). This mismatch contributes to labor shortages across key sectors and encourages informal migration pathways. Expanding and diversifying legal immigration pathways will allow the system to respond more effectively to labor market demands, demographic shifts, and humanitarian needs. Reforms should include increasing employment-based visas, creating flexible sector-specific visa programs, modernizing humanitarian pathways, expanding the lottery program, embracing family reunification, and reducing administrative barriers and inefficiencies that produce visa backlogs and unused visas. A more adaptive system will channel migration through legal avenues while helping meet workforce needs in sectors like agriculture, health care, construction, technology, and the care economy.
- **Supporting Immigrant Inclusion at State and Regional Levels**: Aligning federal immigration reforms with state and regional inclusion strategies can help ensure that immigrants can fully participate in local labor markets and civic life. An institutional commitment is needed: establishing, funding, and strengthening state and regional Offices of Immigrant Inclusion can provide a way to coordinate services such as workforce development, language access, credential recognition, entrepreneurship support, and community outreach. Resources should also explicitly support and expand "welcoming" initiatives for "New Americans" that can build ties, strengthen community solidarity, and promote positive civil society. This infrastructure should be funded by diverting and repurposing funds from Immigration and Customs Enforcement (ICE).

While any game-changer policy is dependent on progress in other arenas, this is particularly so for immigrant inclusion. The effectiveness of all the policies delineated above depends on infrastructure that effectively **promotes labor standards and community organizing**. While the bulk of evidence points to the complementary rather than competitive impacts of newcomers on incumbent workers (and suggest that the most negative wage effects from new immigrants are on more established immigrants), there are concerns about low wage levels. Promoting unionization among immigrants and supporting unions in their organizing of all workers through supportive legislation like the PRO Act will be key. We should also promote international labor standards (adjusted to local realities) and address global climate change to reduce the push factors that lead people to seek ne beginnings.

Rationale

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 they earn more than $2 trillion in household income and pay 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 in 2022 alone.

Demographic trends further heighten 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.

However, to affect such policy change, we need to return to where we began. While every policy area where progressives seek change is fraught, there are few 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 actualized by a narrow conception of what it means to be American. That anxiety has been weaponized by a wealthy class who hopes that we will blame those by our side rather than those who hover above. Policy change cannot be divorced from a broader task of changing narratives, politics, and the underlying balance of power.

*For more information on this topic, including the **Background Paper**, please visit our policy page.*

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