

Opening Statement of Chairman Sheldon Whitehouse
Senate Committee on the Budget
“Unlocking America's Potential: How Immigration Fuels Economic Growth and Our
Competitive Advantage.”
September 13, 2023

Co-Chairman Padilla, Ranking Member Grassley, Senator Lee and members of the committee, distinguished witnesses, and guests: This morning, we discuss the role that immigration plays in driving our economic growth and strengthening our global competitive advantage.

Ahead of this year’s House-driven default crisis, Ranking Member Grassley called on both parties to “get serious about the budget, deficits and debt.” As this committee has repeatedly shown, we have levers at our disposal to reduce the deficit and, more importantly, to reduce the debt-to-GDP ratio. For example, we can increase revenues by fixing our corrupted tax code, and we can avoid future increased expenditures and decreased revenues by investing now in climate change mitigation. Showering tax cuts on the wealthy, on big mega-donors, and on Big Oil are in my view not serious pathways to fiscal responsibility.

Today’s hearing discusses a powerful tool in our toolkit: immigration. Economists and experts agree that expanding lawful immigration pathways to the U.S. will grow our workforce, our productivity, and our economy.

Reforming our decades-old immigration laws is long overdue. Congress has been trying to reform the system for the entire time that I’ve been in the U.S. Senate. In the 11 years since creating the DACA program, we have not yet passed permanent protections for DREAMers, whose fate now lies with the Supreme Court.

Real, human consequences to this delay play out in the lives of immigrants, their families, employers and communities. People are frightened, and people are suffering. This includes people seeking refuge and safety; this includes our essential workers; and as one of our witnesses today will testify, this includes people who grew up here, built a life here, and then had to give it all up when our immigration laws failed them.

There are also serious economic consequences. In a landmark study on the economics of immigration by the National Academy of Sciences, researchers found, unequivocally, that immigration is integral to America’s economic growth.

At all skill levels and at all education levels, immigrants boost our economy. Immigrants are about 80 percent more likely to start a business than those born in the U.S., and immigrant entrepreneurs create jobs for U.S.-born workers. More than 1 in 5 small businesses in the U.S. is immigrant-owned, and more than 40% of Fortune 500 companies were founded by an immigrant or the child of an immigrant.

Immigrants are also more likely to hold patents and fuel innovation nationwide. Notably, innovation accelerates among U.S.-born and immigrant workers alike when immigration increases.

Further, undocumented workers help fuel our economy. Providing pathways to lawful immigration and citizenship is not only a moral imperative, it is an economic one. An estimated three-quarters of all undocumented immigrants were essential workers during the pandemic—in other words, heroes. Their economic contributions would be even greater—and their risks of exploitation and labor abuse greatly reduced— if lawful status was available to them.

The Center for American Progress estimated that creating pathways to citizenship for DREAMers, TPS-holders, farmworkers, and essential workers would boost GDP by \$1.7 trillion over 10 years and would create over 400,000 new jobs. Providing lawful status to undocumented workers also benefits U.S.-born workers' by increasing worker power and reducing wage exploitation.

A rising tide lifts all boats.

Economic growth is a product of labor force growth and productivity growth. Immigrants are important to both, and they have become essential to meeting existing labor needs—and to the continued health of our social insurance programs, as the CBO Director testified in July.

If 2 million more immigrants came to the U.S. each year, we could reverse our predicted population and productivity decline, and we could nearly double GDP to \$47 trillion by 2050, compared to a GDP of only \$33 trillion in a low immigration scenario. If we're serious about a global competition with China, then we need to welcome immigrants.

U.S. immigration hurdles are motivating businesses to hire workers in facilities abroad instead of in their U.S. facilities. The talent pool is global, and we need to attract global talent to the U.S. Experts have warned that “without boosting legal immigration significantly now, the U.S. will sacrifice its position as the world's largest economy by 2030.”

Our outdated and broken immigration system is harming people, and it's also harming our economy. Repairing it will expand our our economic potential and strengthen our global competitiveness. We can fix this, and we should try.

Now I turn it over to Ranking Member Grassley, then Senator Padilla, then Senator Lee.