

## Immigration and the North American Economy

- Immigration to the United States has surged over the past decade, with most of the increase outside legal channels. Immigrants boosted US labor force growth by about half a percentage point per year over the past decade.
- Though immigrants appear to have a very limited impact on US wage levels, most immigrants themselves realize a large economic gain—with further benefits accruing to the second generation.
- Remittances from citizens working in the United States are an important source of capital for Mexico and other countries of origin of migrant workers.
- Current US immigration policy is ineffective—too tight for skilled workers, and often irrelevant for undocumented workers. With compromise stalled, immigration policy is likely to tighten gradually as enforcement increases.
- Along with a weaker domestic labor market, tighter borders are likely to reduce the level of both legal and illegal immigration over the next few years—slowing the growth of the US labor supply and hence of US economic output.

Important disclosures appear at the back of this document.

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**Andrew Tilton, Kent Michels,  
Alec Phillips, Alberto Ramos**  
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