



888 16<sup>th</sup> Street, NW, Suite 800, Washington, DC 20006

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August 6, 2013

Hon. Paul Ryan, Chair  
Committee on the Budget  
U.S. House of Representatives  
207 Cannon House Office Building  
Washington DC, 20515

Dear Chairman Ryan,

We, the undersigned members of the Black American Leadership Alliance (BALA) respectfully address this letter to your office to express our concerns over the possible trajectory that immigration reform may take in the House. We write in our capacity as leaders of the Black American Leadership Alliance, a Washington, DC-based organization whose primary mission is to further the economic and social interests of the black community. We are concerned about the irreparable damage to the black community that an earned legalization plan, or any other similar House bill granting amnesty to illegal immigrants, would cause.

We are concerned about the disastrous effects that passage of an amnesty bill would have on all low-wage workers, but believe that the impact on African Americans would be especially catastrophic. As you likely know, the African American unemployment rate is 12.6%, nearly double the national average. A number of studies have emerged in recent years by reputable organizations, such as the DC-based Center for Immigration Studies, which indicate that black workers will suffer the greatest harm if any far-reaching amnesty bill becomes law. We are asking that you oppose the passage of an amnesty bill for illegal immigrants, because of the dramatic effect it will have on the availability of employment for African American workers.

We appreciate how vocal you have been on the immigration issue in recent months and agree wholeheartedly that the immigration system is broken. Like you, we are also steadfastly committed to investing significant resources to the southern border in order to protect the U.S. from criminal aliens and terrorists. We admire your leadership of the House Budget Committee and your efforts to bolster the immigration enforcement budget during the past decade. The U.S. Immigration



and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) made substantial progress over the past decade in their protection of the border as their budgets increased from \$7.5 billion in 2002 to \$17 billion in 2010. During the past two decades, the number of U.S. Border agents increased from 3,000 to more than 20,700. Deportation levels have recently increased, while some fencing has been added to vulnerable regions.<sup>1</sup>

Unfortunately, these positive developments have recently been overshadowed by the specter of the Border Security, Economic Opportunity, and Immigration Modernization Act. Specifically, we worry that the ‘earned legalization’ component of the bill spells disaster for the low wage communities of color that we advocate for. Many studies have emerged in recent years that detail the harm that mass immigration and amnesty cause the African American community. Both illegal and legal immigration has compounded the black unemployment rate.

On April 4, 2008, immigration experts provided an extensive briefing to the United States Commission on Civil Rights, regarding the impact that immigration had on lower-income African Americans.<sup>2</sup> All witnesses who provided testimony at the briefing found that illegal immigration disproportionately impacted the wages and employment opportunities of African American men. Experts disagreed about how large an impact illegal immigration had on the African American community, but all found that illegal immigration had some impact. Gordon Hanson of UC San Diego, Vernon Briggs of Cornell University and Gerald Jaynes of Yale presented the most alarming findings. Hanson found that “Immigration...accounts for about 40 percent of the 18 percentage point decline [from 1960-2000] in black employment rates.”<sup>3</sup> Professor Briggs echoed this concern in his own work as he documented instances where illegal immigrants and blacks (who are disproportionately likely to be low-skilled) found themselves in competition for the same jobs. Briggs noted that the continual surplus of low-skilled labor that filters

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<sup>1</sup> Edward Alden and Bryan Roberts, “Are the U.S. Borders Secure? Why We Don’t Know and How to Find Out,” *Foreign Affairs*, July/August 2011.

<sup>2</sup> U.S. Commission on Civil Rights, *The Impact of Illegal Immigration on the Wages and Employment Opportunities of Black Workers*, available at: [http://www.usccr.gov/pubs/IllegImmig\\_10-14-10\\_430pm.pdf](http://www.usccr.gov/pubs/IllegImmig_10-14-10_430pm.pdf).

<sup>3</sup> *Id.* at 26



through U.S. borders on an annual basis prevents wages from rising.<sup>4</sup> Economist Gerald Jaynes uncovered more modest wage and employment depression effects from immigration but did note that undocumented immigration had hurt the employment opportunities of African Americans in particular industries such as meatpacking and construction. Undocumented immigrants have largely dislodged lower skilled blacks from industries that used to offer decent standards of living for manual black workers.<sup>5</sup>

More recently issued research studies help capture the wage effect that immigration has had on native-born populations. Harvard economist George Borjas, who has been labeled ‘America’s leading immigration economist’ by *BusinessWeek* and *The Wall Street Journal*, has been documenting the wage impact of immigration for more than two decades. In his latest findings, Borjas discovers that:

Illegal immigration reduces the wages of native workers by an estimated \$99 to \$118 billion a year...A theory-based framework predicts that the immigrants who entered the country from 1990 to 2010 reduced the average annual earnings of American workers by \$1,396 in the short run. Because immigration (legal and illegal) increased the supply of workers unevenly, the impact varies across skill groups, with high school dropouts being the most negatively affected group.<sup>6</sup>

Because the African American dropout rate is disproportionately high, blacks are especially harmed by illegal immigration.<sup>7</sup> High school dropouts and those who only have their high school diplomas are especially vulnerable to the vicissitudes of a labor market flooded by illegal immigrant labor. Overall, nearly 51% of

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<sup>4</sup> *Id.* at 37-39

<sup>5</sup> *Id.* at 31-32

<sup>6</sup> George Borjas, *Immigration and the American Worker: A Review of the Academic Literature*, Center for Immigration Studies (April 2013). Available at <http://www.cis.org/immigration-and-the-american-worker-review-academic-literature>.

<sup>7</sup> The National Center for Education Statistics estimates that the 2012 drop-out rate for African-Americans was 8 percent, compared to 5.1 percent for whites. “Fast Facts,” U.S. Department of Education, available at <http://nces.ed.gov/fastfacts/display.asp?id=16>



African Americans have not obtained higher education degrees. Unsurprisingly, unemployment rates are especially high for African Americans possessing low levels of education. A 2012 report by the Bureau of Labor Statistics found that the unemployment rate for blacks with only a high school diploma stood at 15.5 percent, while those with less than a high school diploma experienced a 24.6 percent unemployment rate.<sup>8</sup> By legalizing and providing work authorization to nearly 11 million undocumented migrants, passage of an amnesty or any similar immigration plan, would only exacerbate the plight of lower income African Americans.

Now, we at the Black American Leadership Alliance, realize that you are not necessarily a champion of SB 744 and as a thoughtful legislator have weighed the benefits and drawbacks of any major immigration reform proposal. However, we are still concerned with some of the recent positions you have taken regarding immigration reform during interviews. One particular concern that we have is your insistence that any type of major enhancement of border security must be accompanied by an ‘earned legalization’ program. A great deal of previous research indicates that any type of legalization program will inevitably encourage more illegal immigration in the future. As you know, that was the exact consequence of Ronald Reagan’s 1986 amnesty. Of course, the Border Security, Economic Opportunity, and Immigration Modernization Act or any type of immigration reform emanating from the House in the near future will be an improvement over the Immigration Reform and Control Act (IRCA) of 1986, but any reform effort that includes legalization will likely encourage illegal immigration in the future. As you are already aware, the Congressional Budget Office found that SB 744, despite its massive investment in border surveillance, would only decrease illegal immigration by 33-50 percent than what is expected now under current law.<sup>9</sup>

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<sup>8</sup> Bureau of Labor Statistics. “The African American Labor Force in the Recovery.” February 29, 2012. U.S. Dept. of Labor, [http://www.dol.gov/\\_sec/media/reports/BlackLaborFo744rce/BlackLaborForce.pdf](http://www.dol.gov/_sec/media/reports/BlackLaborFo744rce/BlackLaborForce.pdf)

<sup>9</sup> Congressional Budget Office, “The Economic Impact of S. 744, the Border Security, Economic Opportunity and Immigration Modernization Act,” June 2013



Thirty three to fifty percent may seem like substantial progress for an immigration system that often seems dysfunctional but the costs for such improvement far outweigh the benefits. Essentially, the earned legalization component of SB 744 leads to a massive increase in legal immigration, much of it unskilled, and only a moderate decrease of illegal immigration. According to the CBO report, the only group that will reap the economic rewards of such a plan are the immigrants themselves.<sup>10</sup>

We realize that you may be unconcerned with the flaws within SB 744, because of House leadership's plans to launch reform bills that tackle immigration in a piecemeal manner. Even if the House were to tackle the immigration issue with its own approach, we beseech you to attend to some of the flaws within the Senate bill to make sure they are not replicated in future House versions of reform. One of the greatest concerns of any major immigration reform is how it will impact future inflow of not only illegal but legal immigrants. As you know, SB 744 creates a number of new visa categories such as merit-based visas and according to CBO estimates will increase the U.S. population by 10 million people in 2023 and by about 16 million people in 2033.<sup>11</sup> A House bill that creates more restrictive visa categories and imposes lower visa caps may reduce such an inflow of legal immigrants.

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<sup>10</sup> The economic benefits for middle-class U.S. citizens from legalization are in a best case scenario inconsequential. In the CBO's June economic report of SB 744, the agency estimated "that average wages for the entire labor force would be 0.1 percent lower in 2023 and 0.5 percent higher in 2033 under the legislation than under current law." *See*, Congressional Budget Office, "The Economic Impact of S. 744, the Border Security, Economic Opportunity and Immigration Modernization Act," June 2013 at 3.

These figures suggest that a major immigration overhaul would only have a negligible impact on U.S. citizens. However, when projecting these numbers the CBO lumped both the projected wages of future immigrants, those that would be classified as Registered Provisional Immigrants and U.S. born residents together. The CBO admits that it did not analyze, "the full economic effects of the legislation separately for the incomes of people who would be U.S. residents under current law." *See*, Congressional Budget Office, "The Economic Impact of S. 744, the Border Security, Economic Opportunity and Immigration Modernization Act," June 2013 at 4. Thus, there still exists the strong possibility that a major legalization program would negatively impact the incomes of many U.S. born residents.

<sup>11</sup> *Id.* at 4



Such considerations are important because as the CBO discovered in its analysis of SB 744, any major surge of legal immigrant workers will inevitably cause the “unemployment rate to be slightly higher for several years than projected under current law.”<sup>12</sup>

Growing unemployment is one major reason to be concerned about any major surge of immigrant workers in the future. Recent interviews you have conducted on *Reuters* and *The Wall Street Journal* suggest that you believe that a substantial inflow of immigrants is needed to grow the American economy. BALA is deeply concerned with ensuring America’s economic growth but we respectfully disagree with your assertion that massive future immigration would serve as a panacea. The retirement of baby boomers may create openings within the economy, but such openings will not necessarily lead to dire labor shortages. Even if a labor shortage does materialize within a particular labor market, rising wages will inevitably ameliorate such a shortage by attracting surplus labor to the occupation. As you know, there are millions of Americans currently unemployed and seeking work. Many of these Americans can be retrained to take on new occupations and will be attracted to such occupations if both wages and working conditions improve.

We realize that much of the GOP’s enthusiasm for reforming the immigration system stems from a desire to streamline America’s H1-B visa system. We are aware that some high-tech business leaders fear they will be deprived of foreign talent because they claim the H1-B visa system is unresponsive to the needs of a growing economy. We are concerned, however, that employers neglect to fully consider domestic graduates in their pursuit of foreign applicants. Recent statistics offered by the U.S. Department of Education finds a surplus of college graduates in the fields of computer and information science and engineering who cannot find permanent positions. In fact, U.S. colleges graduate 50 percent more students in these fields than are actually hired. Those with postgraduate degrees, including PhDs, often have trouble finding work in the fields they were trained for. A 2009 survey by the National Science Foundation found that only 14 percent of those with a PhD in biology or life sciences are able to land an academic position in five

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<sup>12</sup> *Id.* at 4



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years.<sup>13</sup> Minority applicants have been especially harmed by job scarcities and the outsourcing of jobs to foreign applicants. Between 2008 and 2012, twenty thousand black computer programmers and system analysts lost their jobs to foreign competitors and downsizing and either migrated to other industries or remain unemployed.<sup>14</sup>

We know that you will weigh our concerns carefully as you and your colleagues in the House deliberate immigration reform proposals in the fall. We wish to reiterate that any type of amnesty or earned legalization program will harm the employment and earning prospects of millions of low-skill Americans and black Americans specifically. Furthermore, an amnesty program will not resolve, but only exacerbate illegal immigration inflows into the U.S. We appreciate the complexity of the immigration reform issue in general and admire the past leadership you have displayed in your previous attempts to navigate this delicate policy topic. Thank you for your consideration.

Sincerely,

The Black American Leadership Alliance,

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<sup>13</sup> Brian Vastag, U.S. Pushes For More Scientists, But the Jobs Aren't There," *The Washington Post*, July 7, 2012. [http://www.washingtonpost.com/national/health-science/us-pushes-for-more-scientists-but-the-jobs-arent-there/2012/07/07/gJQAZJpQUW\\_story\\_1.html](http://www.washingtonpost.com/national/health-science/us-pushes-for-more-scientists-but-the-jobs-arent-there/2012/07/07/gJQAZJpQUW_story_1.html)

<sup>14</sup> Richard Trumka, "AFL-CIO: American High-Tech Workers Not in Shortage," *USA Today*, May 28, 2013. <http://www.usatoday.com/story/opinion/2013/05/28/h1b-visa-high-tech-workers-afl-cio-editorials-debates/2367769/>



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Reverend Jesse Lee Peterson  
President and Founder of BOND (The  
Brotherhood Organization of a New  
Destiny)

Bishop Felton Smith  
Prelate, Tennessee Eastern First  
Jurisdiction

Frank Morris, Ph. D.  
Former Executive Director,  
Congressional Black Caucus  
Foundation and Board Member,  
Progressives for Immigration Reform

Assistant Bishop Curtis A. Rodgers  
Northern, IL, Church of God In Christ

Charles Butler  
Veteran Host of The Take with  
Charles Butler

Leah V. Durant  
Former US DOJ Immigration  
Attorney and Founder, Black  
American Leadership Alliance

T. Willard Fair  
President and CEO, Urban League of  
Greater Miami

Vernon Robinson  
Former Council Member, Winston-  
Salem, NC and former candidate for  
US Congressional Office

Kevin Jackson  
Radio Host and Executive Director of  
The Black Sphere

Leo Alexander  
Broadcaster, Writer and Political  
Commentator, Washington, DC

Kevin Martin  
Author, Writer and Political  
Commentator