

# The Impact of Immigration on American Cities: An Introduction to the Issues

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According to the U.S. Census Bureau, about 1 million people immigrated to the U.S. in 2001—a number not too far from the record 1.3 million who arrived in 1907. Like their fellow newcomers of long ago, latter-day immigrants generally come here for one reason: to seek a better life. Debate still rages today – as it did a century ago – over immigrants’ effect on a host country’s economic and social structures. Nevertheless, several factors make the current immigration inflows distinctive. In this article, Albert Saiz discusses immigration’s impact on a receiving country’s labor and housing markets, fiscal systems, and social interactions.

The United States is a country of immigrants. A majority of Americans trace their roots to people who journeyed from far away to seek a better life. And today’s immigrants to the United States are doing the same. Recent immigrants tend to concentrate in a handful of metropolitan areas, and immigration has become a



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salient feature of these cities. According to the Census Bureau, about 1 million people immigrated to the U.S. in 2001. That figure was not too far from the record 1.3 million immigrants who arrived in 1907 (Figure). However, immigration at the start of the century had a relatively greater impact as the U.S. was much less populated. Relative immigration rates were at their highest during the first decade of the 20<sup>th</sup> century: 11 immigrants per year for each 1,000 inhabitants, compared with five per 1,000 in the last decade of the century. The U.S. was absorbing twice the proportion of immigrants than it is today.

Nevertheless, several factors make the current immigration inflows distinctive. First, the U.S. government

reduced immigration inflows drastically at the beginning of the Great Depression in 1929. Current immigration levels are the highest in the memories of most Americans. Second, the countries of origin of immigrants are more diverse today than in the 19<sup>th</sup> and early 20<sup>th</sup> centuries. The traditional countries of origin (Germany, Holland, Italy, Ireland, UK, and central Europe) are no longer important sources of immigration. Third, even if immigration inflows are small relative to the population levels, they will still have an important impact on population growth. If current immigration rates are sustained, two-thirds of population growth in the United States *could* be accounted for by immigration by 2050.

Are such projections realistic?

That depends on future immigration policies. Any time immigration has fueled a country’s population, it has also sparked heated debates over the desirability of further immigration. For example, on September 1, 1910, the *Wall Street Journal* ran the following story on the front page:

“The Labor party in the colony of Victoria, Australia, which is practically the dominating influence in the Government, is protesting against the immigration of skilled artisans when they add to the congested population of Melbourne. It is our belief that these immigrants would in time tend to distribute themselves to points where they were more needed, *but the attitude of the Labor party is by no means unreasonable*” [emphasis added].

More than 90 years later, immigration continues to be a furiously debated topic. Public opinion does not

always favor letting more people in. Economists Kenneth Scheve of Yale University and Matthew Slaughter of Dartmouth College have demonstrated that less skilled workers favor limiting immigrant inflows into the U.S. Thomas Bauer, Magnus Lofstrom, and Klaus Zimmermann, from Bonn University, also report that survey respondents in OECD countries show substantial support for immigration limits.<sup>1</sup>

This article provides background for a reasoned discussion of the impact of immigration. Economists and other social scientists have produced substantial research on immi-

<sup>1</sup> OECD, the Organization for Economic Co-operation and Development, was formed by the governments of a group of medium- to high-income countries to “tackle the economic, social, and governance challenges of a globalized economy.”

gration’s impact on local economies. Individual and collective preferences for policies should be strongly founded on the available evidence.

Economists generally agree that a worldwide labor market without

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any border restrictions is efficient: that is, people achieve a maximum level of production of goods given the existing availability of resources. The issue with immigration is its impact on the distribution of real income. Who are the winners and the losers worldwide? Can inhabitants of a country that allows immigration lose because of

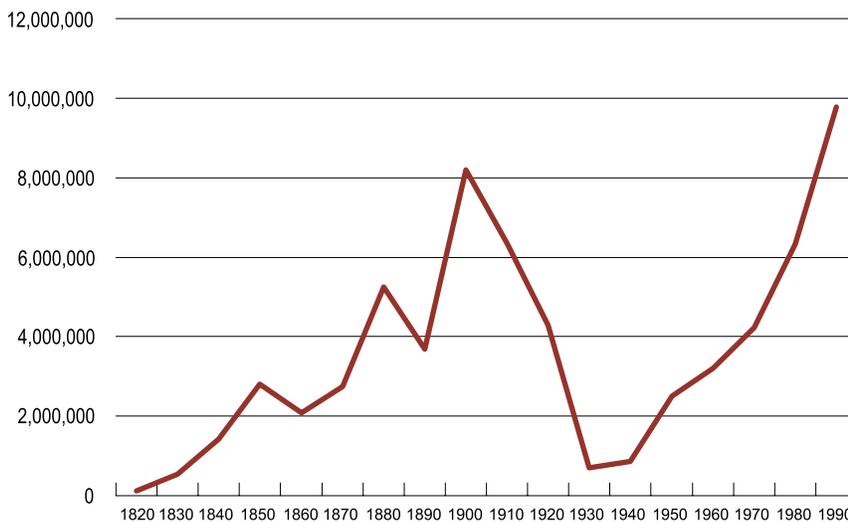
it? Regardless of the average impact on a country, what is the distribution within a country of gains and costs arising from immigration?

This article will deal with these questions from the point of view

of countries receiving immigrants. Although other important questions, such as the impact on countries sending immigrants and the progress and welfare of immigrants themselves, should also be part of the discussion on immigration policies, they will not be covered here. We will examine immigration’s impact on host countries’ labor and housing markets, their fiscal systems, and social interactions.

### FIGURE

#### Immigrants in the U.S. by Decade



#### IMMIGRATION’S IMPACT ON LABOR MARKETS

Immigration’s impact on labor markets can be gauged by wages or employment. Does immigration affect wages? How? Does it influence the employment prospects of natives or change the unemployment rate?

**Wages.** By far, most of the economic literature on immigration has concentrated on its impact on labor markets, specifically wages. Do immigrants compete with natives in the labor market and drive real wages down?

To answer this question we need to think first about what distinguishes international labor flows (emigration and immigration) from international trade. Actually, the United States can use foreign labor by importing products produced by workers in the rest of the world. In theory, international trade of goods

and services could equalize the wages and other payments made to the different factors of production worldwide. After all, why would a firm in the U.S. pay more for an input, such as labor, when it faces price competition from producers in other countries?

In practice, under current economic and political conditions, this so-called factor-price equalization does not happen. Why? First, there are a number of trade barriers, such as import quotas and tariffs. Second, there are products, such as personal services and local public goods, that cannot be traded and thus do not face international competition. Third, education levels, technological developments, and institutions have proved difficult to transplant. Many countries do not possess the skills or technology to compete in some product markets.

Thus, the impact of immigration will not be quite the same as that of importing goods produced by foreign labor. For this reason, and given the relatively small size of exports and imports in the United States, labor economists have concentrated on models of the economy without international trade. These economic models, which are simplified representations of the economy (as a map is a simplified representation of a geographic area), help us understand the effects of changes in fundamental variables, such as population, on outcomes of interest, such as wages. According to Harvard economist George Borjas, these models indicate there are positive overall gains to natives from immigration but point to a distributive impact: There may be winners and losers within the native population.

The simplest model considers a single type of labor and a fixed amount of capital.<sup>2</sup> This model predicts overall gains from immigration.

The increase in labor supply exerts downward pressure on wages, but the gains to firms from greater availability of labor more than offset native workers' wage losses. The distribution of the benefits from immigration hinges on the initial distribution of firms' shares of ownership. For instance, if everyone is a worker but also an investor,

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everyone experiences net gains from the availability of more people who produce at a lower cost.

But, in reality, the amount of capital in the economy is not fixed. When we allow capital to adjust freely (maybe because of the availability of foreign capital), results are different. Suppose that if we doubled the total amount of resources devoted to production, we would double the amount we produce.<sup>3</sup> In this setup, immigration does not generate any change in wages and does not generate economic gains or losses to natives. This happens because as the amount of available labor increases via immigration, investors find it desirable to increase the amount of capital as well, so that the

<sup>2</sup> Capital refers to investments in durable productive assets, such as computers, factories, and so on.

<sup>3</sup> In economists' jargon, this technology exhibits constant returns to scale. Such productive technology seems to represent fairly well the production process at the national level. However, at the local level, for example, in metropolitan areas, this need not be the case. See Satyajit Chatterjee's article on agglomeration economies.

amount of capital per worker is kept at the initial level before immigration. This level was the one that minimized the costs of production, and immigration doesn't change that.

For example, imagine that the population of a country doubles because of immigration. Capital per worker will adjust to the initial level (the level that is optimal for investors). The new economy, after immigration, will just be a duplicate of the old economy! Total gross domestic product (GDP) will double, but *per capita* GDP will stay the same. Wages will remain unchanged and so will the dividends paid to each owner of capital.

An even more realistic model takes into account the existence of several types of labor. Take, for example, the case in which there are two types of labor: highly skilled and unskilled. The availability of formal education and knowledge, which help determine the level of skills that a country's workers have, is approximately fixed in the medium run.

In this situation, and if new capital can be put into place, immigration will benefit natives only if the distribution of skills in the immigrant population (for example, the proportion of people who are low skilled) is different from that of the native population. If the skill composition of immigrants and natives is identical, we are back to a "replicated economy" scenario: Doubling the country's population just doubles the economy without any changes in income per capita. But if the composition of skilled and unskilled workers is different in the immigrant and the native populations, relative wages will change. For example, if immigrants tended to be more highly skilled, this would increase the relative supply of highly skilled individuals, reducing wages for the highly skilled and increasing wages for low-skilled workers.

In reality, economists have worried about the potential impact of immigration on *low-skilled* natives. George Borjas, one of the most active economists studying immigration in the past decade, has pointed to the fact that the relative skills of immigrants in the U.S. have been decreasing since the 1960s. To be sure, the United States attracts a good deal of highly skilled professionals, such as doctors, computer programmers, engineers, scientists, and Ph.D. economists. In 1990, 26.2 percent of male immigrants 25 years or older were college graduates (the same proportion as natives). Nevertheless, the share of immigrants with less than a high school diploma was 37.1 percent, much higher than the same proportion for natives (14.1 percent). Is the influx of such a relatively low-skilled population affecting wages for low-skilled workers? Considerable research has been devoted to answering this question.

Most studies have compared the change in wages in cities that receive major immigration inflows to the change in wages in other areas. These are generally known as area studies. Surprisingly, the results only yield evidence of a weak negative association between immigration and wages in the sectors and metropolitan areas where immigrants tend to find employment.

Area studies have been criticized because they do not take into account firms' and immigrants' responses to changing economic conditions. If, for instance, immigrants are *systematically* attracted to areas that are experiencing economic booms, we should not expect to see a clear-cut negative association between immigration and wages. Without immigration, wages may have been higher in these areas, but there is no way to disentangle the impact of immigration from the positive effect of a booming

economy. Similarly, firms that tend to use immigrant labor will move to areas where immigrants tend to concentrate, increasing the demand for labor in those areas.

David Card, a labor economist at Berkeley, studied the impact of the Mariel boatlift on wages and employment in Miami, Florida. Between May and September 1980, about 125,000 Cuban immigrants arrived in southern Florida. The sudden inflow of people arriving in boats (*balsas* in Spanish and, hence, the name *balseros* for contemporary Cuban immigrants who follow the same route) resulted

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from the Cuban government's decision to allow free emigration from the island's port of Mariel. Card estimates that about 50 percent of the Mariel immigrants settled in Miami in 1980. Initially, this represented a sudden 7 percent increase in the city's labor force. By 1983, many more resettled refugees had found their way south to Miami. Mariel immigrants were relatively unskilled, both in terms of formal education and fluency in English. The advantages of studying that massive immigration episode, in light of the criticisms of area studies, are that its timing was independent of the evolution of Miami's economy and that firms could not have predicted it in advance.

But Card's study suggests that even a major shock of low-skilled immigrants such as that represented by the Mariel boatlift did not change the relative wages of low-skilled workers in

Miami compared with those in similar metropolitan areas.

Still, some economists think that looking at specific high-immigration metropolitan areas is not enough to learn about the general impact of immigrants on wages. George Borjas, teaming with Larry Katz and Richard Freeman from Harvard, argues that the mobility of natives may counteract the local effects of immigration on wages. If immigration puts downward pressure on wages in the areas where immigrants concentrate, natives may decide to leave or may be less willing

to move into these areas. In this sense local economies are interconnected: The impact of immigration on wages will be spread over the entire nation as natives move in response to immigration inflows into specific areas.

Borjas, Katz, and Freeman estimated the national impact of immigration on wages. They used a simplified model of the economy and estimates of the general responsiveness of wages to changes in the supply of low-skilled workers in order to approximate the impact of immigration. They report a modest impact. Wages for high-school dropouts would have been about 3 percent higher *relative to wages for other workers* in 1990 without any immigration in the 1980s. Notice that this implies that relative wages for other workers (those with at least a high school diploma) would have been *lower* without the immigration of the 1980s. However, as George Borjas pointed

out, the estimates from the Harvard trio can be subject to criticism.<sup>4</sup> Their calculations are rather uncertain, since they rely on their model's adequacy and the accuracy of its parameters.

We are left with the impression that the empirical evidence is inconclusive as to the actual magnitude of the impact of immigration on wages. However, it is fair to argue that immigration may have had a modest negative impact on the wage growth of low-skilled individuals in the United States and a corresponding positive impact on wages for the rest.

**Employment.** Economists have also investigated the association between immigration and employment. Does immigration reduce the proportion of natives who are working or actively looking for jobs, usually referred to as labor force participation? Does immigration generate unemployment?

Immigration affects labor force participation only if wage effects are sizable. In other words, if immigration substantially *reduced* the wages of a particular group, some individuals in that group may decide to *withdraw* from the labor force. Similarly, if immigration substantially *increased* the wages of a particular group, some individuals in that group may decide to *enter* the labor force. In practice, since wage effects are very small, we expect the impact on labor participation to be minor.

Using an *area study* approach, David Card has looked at such an impact. Confirming what the evidence from the research on wages suggests, he finds that immigration has a very small impact on the employment of natives in the same skill category.

Robert Fairlie of the Univer-

sity of California at Santa Cruz and Bruce Meyer of Northwestern University have found that immigration can have a negative effect on native self-employment. Immigrants are more

## The effect of immigration on unemployment depends on the nature of the labor market.

likely than natives to own and operate small businesses such as convenience stores and restaurants. However, these authors also found that immigration does not affect self-employment by African-Americans. Since immigration barely affects total employment and wages, the results imply that some natives prefer to take on other, more available jobs rather than compete with immigrants' small businesses.

The effect of immigration on unemployment depends on the nature of the labor market. Institutional and social factors sometimes make quick transitions from unemployment to jobs difficult. For example, the geographical distribution of jobs may not correspond to the geographical distribution of population (so jobs may not necessarily be where people are). Or some people might be unwilling to move from their hometown and would rather stay unemployed.

In a market with few such institutional and social factors, immigration should not affect unemployment. Economists agree that this is the case in the United States. A large majority of people looking for a job at current wages are usually able to find a job after some searching. Moreover, according to Borjas, immigration may "grease the wheels" of the labor market. Immigrants are much more mobile than natives and respond more quickly to changes in the economic situation. This may speed the process of match-

ing people to jobs within the country.

If institutional and social factors associated with high unemployment rates are present, as is the case in many European countries, one

might suspect that immigrants to those countries are competing with natives for jobs. There is no empirical evidence that this is actually the case.<sup>5</sup> The explanation is akin to the argument advanced when we discussed what would happen if we doubled a country's population. Immigration increases the *scale* of the economy, but it needn't change the unemployment *rate*.

### IMMIGRATION'S IMPACT ON THE HOUSING MARKET

As we discussed earlier, using labor from other countries is not exclusively a matter of immigration. Trading goods between countries also means using foreign labor. What sets immigration apart from trade is its residential aspect: immigration involves foreign workers living in the U.S. Therefore, one might expect to find that immigration has a major effect on the local housing market.

Does immigration affect housing prices? Immigration certainly increases the *demand* for housing. Its impact on prices depends on what economists call the elasticity of housing supply—that is, the sensitivity of the supply of housing to changes in price. In some markets, only small

<sup>5</sup> See, for instance, Rudolf Winter-Ebmer and Josef Zweimüller's article, which reports a lack of evidence that immigration has a negative impact on youth unemployment in Austria.

<sup>4</sup> See George Borjas' 2002 Harvard University mimeo.

price hikes are necessary to increase supply enough to accommodate increasing demand. In these cases, supply is very elastic. In other markets, where supply isn't as elastic, small changes in demand translate into higher prices. In these markets, it takes a much greater increase in prices for supply to respond to the increased demand.

Studies in housing economics demonstrate that, at the national level, the supply of housing is fairly elastic. Increases in population that are spread

out over the country needn't translate into higher housing prices. The supply of housing increases sufficiently with small changes in price. But while housing supply may be relatively elastic at the national level, it *may be* much more inelastic in specific locations. Plus, immigrants tend to concentrate in densely populated metropolitan areas where housing supply is typically fairly inelastic (see Table and map). This implies that housing rents and prices may be expected to grow faster in response

to population growth in these areas.

My research has focused on the impact of immigration on local housing rents and prices. I started by looking at the Mariel boatlift. It is an interesting episode because of its magnitude and exact timing. It is also important because, as David Card convincingly demonstrated, it is an example of the small impact of even massive immigration on wages. My research shows that one year after the Mariel boatlift, rents in Miami

## TABLE

### MAJOR IMMIGRANT METROPOLITAN AREAS (1983-1997)

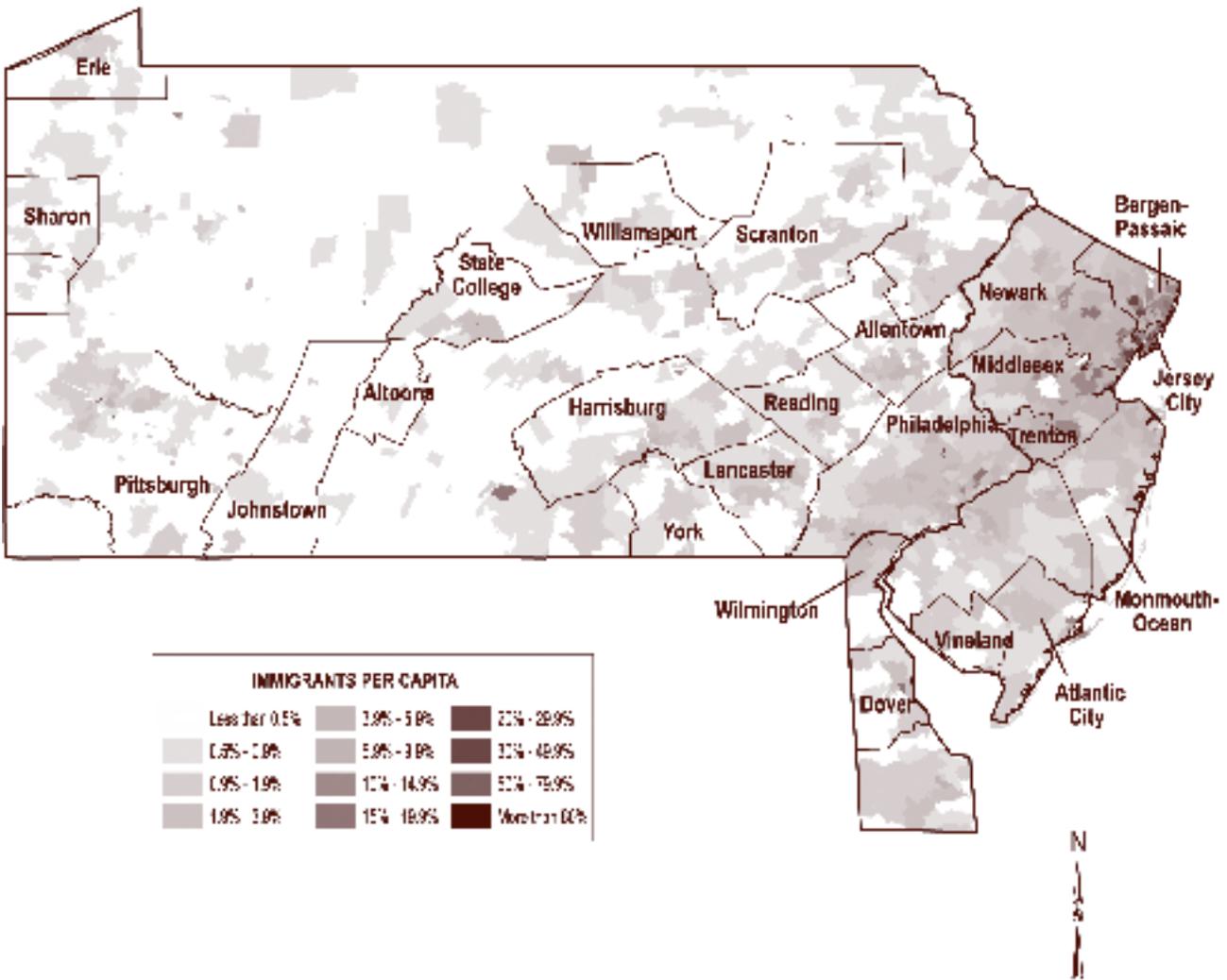
The table shows the main 20 destinations of legal immigrants in the 15 years from 1983 to 1997. Impact is defined as the total number of immigrants as a proportion of the initial (1983) population. Philadelphia is the only metropolitan area in the Third District that makes it to the top of the list. However, immigration in Philadelphia is not very important in terms of its population impact over this period (3.23 percent) compared to other close major metropolitan areas such as New York, the Northern New Jersey cities, and Washington.

Rank	MSA	Population in 1983	Immigrants 83-97	Impact*
1	New York	8,491,429	1,653,393	19.47%
2	Los Angeles-Long Beach	8,182,905	1,111,542	13.58%
3	Chicago	7,301,085	476,754	6.53%
4	Miami	1,776,909	455,085	25.61%
5	Washington, D.C.	3,809,206	359,918	9.45%
6	San Francisco	1,570,619	268,688	17.11%
7	Anaheim-Santa Ana	2,171,929	253,008	11.65%
8	Houston	3,205,171	230,027	7.18%
9	San Jose	1,419,521	215,957	15.21%
10	Boston	5,383,370	203,951	3.79%
11	Oakland	1,908,848	196,428	10.29%
12	San Diego	2,126,091	184,192	8.66%
13	Newark	1,953,893	172,904	8.85%
14	<b>Philadelphia</b>	<b>4,818,838</b>	<b>155,583</b>	<b>3.23%</b>
15	Bergen-Passaic	1,301,487	150,603	11.57%
16	Nassau-Suffolk	2,621,547	139,701	5.33%
17	Dallas	2,432,840	134,703	5.54%
18	Seattle-Bellevue-Everett	1,778,460	124,525	7.00%
19	Detroit	4,224,650	112,249	2.66%
20	Jersey City	568,869	111,619	19.62%
20 Biggest Immigrant Cities		67,047,667	6,710,830	10.01%

## MAP

### IMMIGRATION IN THE THIRD DISTRICT

The map shows the number of immigrants as a percentage of population by postal zip code. The data correspond to the 15-year period starting in 1983. It is easy to see that immigrants tend to cluster in metropolitan areas (delimited in the map). Many areas of the Third District are not exposed to immigration. The main areas of attraction are northern New Jersey and Philadelphia.



increased 7 percent to 11 percent. I have obtained similar results for other immigrant destinations in the United States. An immigration inflow that amounts to 1 percent of the city's population is associated with increases in housing values and rents of about 1 percent.

Immigration's effects on housing markets are much more substantive than its effects on labor markets. Remember that one explanation for why immigration may not have an impact on labor markets is that some natives avoid areas where immigrants concentrate, such as New York or Los

Angeles. Although there is no definitive consensus on how the internal flows of native workers respond to immigration, a National Research Council report on immigration has argued that "competing native workers migrate out of the areas to which immigrants move." Given the fact

that immigration doesn't affect wages, higher housing rents can help explain why certain areas might become less attractive to natives.

In the short run, the results have implications for the distribution of real income through the housing market. Homeowners stand to gain from immigration while renters experience slightly higher prices. But there are reasons to think that these effects may disappear in the long run. Remember the idea of an economy as an interconnected system of cities. When a city becomes more expensive, some people will find it less attractive to live there. In time, immigrants become natives in terms of tastes and motivations. Thus, in time, some natives and immigrants can be expected to leave immigrant areas for less expensive areas. Housing demand will decrease in immigrant cities and increase in the rest of the country. Since supply is highly elastic at the national level, the long-run impact of immigration on *national* housing prices may be relatively small.

Some people have argued that immigration can help revitalize rundown neighborhoods, especially in declining cities. Joe Gyourko and I have demonstrated a clear link between housing prices, building costs, and housing reinvestment (investment in housing renovation, additions, and maintenance). A house with a market value below what it would cost to build a unit with similar characteristics is not a good investment: the cost of replacing parts of the house that deteriorate over time is greater than the market value of what is replaced. We would expect landlords (and homeowners) not to invest much in these units. Immigration pushes up demand and prices in rundown areas. If house values go from being below to being above replacement costs, we should expect major revitalization. In other

cases (in which there are price hikes but units are above or below construction costs both before and after immigration), changes in renovation expenditures will be relatively small. Immigration needs to be associated with higher prices in a neighborhood

a singularly good deal for Americans, since about 35 percent of immigrants emigrate back to their countries of origin after some time in the U.S. and never claim the benefits.<sup>6</sup>

But are immigrants net contributors to the total tax system,

## Social scientists have studied whether, on average, natives are subsidizing or being subsidized by immigrants through the federal, state, and local tax systems.

in order to bring revitalization. But higher prices are a necessary, not sufficient, condition for revitalization.

### NONMARKET IMPACT OF IMMIGRATION

Immigration has many other economic and social impacts that don't involve markets. We will consider two of these issues: taxes and crime.

**Taxes.** Immigrants come to the United States in search of a better life, but they can avoid neither death nor taxes here. Indeed, legal immigrants pay federal, state, and local taxes. Immigrant families also enjoy some of the benefits of public services and receive transfer payments. Social scientists have studied whether, on average, natives are subsidizing or being subsidized by immigrants through the federal, state, and local tax systems.

Ronald Lee and Timothy Miller, two demographers at the University of California at Berkeley, concluded that immigrants are net contributors to the federal tax system. New immigrants have relatively high labor participation rates and pay federal income and social security taxes. The taxation of immigrants through the social security system is

including state and local taxes as well as federal taxes? The National Research Council found a small negative contribution (that is, native taxpayers subsidizing immigrants) in the case of New Jersey and a substantial deficit in California, once local and state taxes are taken into account. Since New Jersey and California are among the states with a higher proportion of immigration, immigrant families in these states are among the major beneficiaries of the school system and other local public spending programs. The results point to the fact that the net contribution of immigrants is very sensitive to local and state policies.

Indeed, in the same study, the National Research Council found the fiscal benefits of immigrants for the *average* U.S. taxpayer to be positive, taking all federal, state, and local taxes and outlays into account. How can we reconcile this fact with the findings from New Jersey and California? Again, immigration has a mild *distributive* impact. In states with a major number of immigrants and generous spending policies, immigrants

<sup>6</sup> For more on social security and immigration, see the article by Alan Gustman and Thomas Steinmeier.

receive more than they contribute in taxes. In other states, taxpayers enjoy their share of the positive contribution of immigrants to the federal budget without requiring major additional expenditures. These two scenarios average out as a positive surplus for the typical native U.S. taxpayer.

An issue that has captured the attention of many researchers is participation in welfare programs. Economists Michael Fix, Jeffrey Passel, and Wendy Zimmermann, at the Urban Institute in Washington, D.C., summarized the main facts of the early 1990s. Immigrants used welfare slightly more than natives (6.6 percent versus 4.9 percent). However, welfare use was disproportionately concentrated among refugees and elderly immigrants. Non-refugee, working-age immigrants had welfare participation rates similar to those of natives. In any case, changes in federal assistance programs in the late 1990s made it more difficult for immigrants to access such programs.

**Crime.** Economists have only recently started to examine the impact of immigration on social interactions. Clearly, these interactions are important in assessing immigration's general impact.

Economists Kristin Butcher and Anne Morrison Piehl have studied one of the most controversial topics in this area: the relationship between immigration and crime. Their results are quite unexpected. They found that the incarceration rate of male

immigrants was about two-thirds that of natives. The fact that immigrants tend to be incarcerated less often than natives (and presumably to commit less crimes) is even more surprising when one considers they have, on average, less education and earn lower wages.<sup>7</sup> Butcher and Piehl also found that the longer the time a foreign-born individual had spent in the United States, the closer his probability of incarceration is to that of natives. These authors argued that "this suggests that immigrants may assimilate to the (higher) criminal propensities of natives."

## CONCLUSION

Immigration has been at the center of many policy debates over the past two centuries. Unfortunately, the discussion has not always revolved around the existing evidence. I have argued that immigration provides overall economic gains to a country. Indeed, the U.S. experience as an immigrants' country is one of phenomenal economic growth.

However, there are winners and losers in the short run. The trend toward a relatively more unskilled immigrant population has been associated with mildly slower growth in the wages of low-skilled individuals. This effect is hard to measure, but it seems

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<sup>7</sup> These results may be explained by the threat of deportation, but more research in the U.S. and other countries will help us learn more about this topic.

to be small. I have also argued that immigration seems to have no sizable impact on employment or unemployment in the United States.

Immigration has a positive impact on housing prices and rents in cities that attract the foreign-born. This benefits existing homeowners and landlords but makes these cities less attractive to renters and prospective native in-migrants. In the long run, these effects are bound to dissipate as immigrants and their offspring become Americans and leave the traditional port-of-entry cities.

The *average* U.S. taxpayer benefits from immigrants' contributions to the tax system, taking all federal, state, and local taxes and outlays into account. But the impact is mild, and the average distribution of income through the tax system is not uniform. Immigrants' federal tax contributions result in benefits to natives in most states with low immigration levels. But states with high immigration levels have higher expenditures associated with the increased burden on public services.

The distributive consequences of recent immigration inflows cannot be ignored, although which mix of distributive or immigration policies is better for dealing with them is a matter of opinion.

Finally, I have discussed that, in the United States, there is evidence that immigrants have lower propensities to commit crimes than natives. 

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