December 6, 2017

Joint Statement on Immigration

As fiscal officers responsible to taxpayers and residents of jurisdictions across the United States, we want to highlight our concern regarding the impact of the current administration's immigration policies on our national and local economies. Data we lay out below indicates that an aggressive policy of deportation against immigrants in general, and against participants of the Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) programs in particular, will cause harm to local and national labor and consumer markets and to our tax base.

For this reason, we, the undersigned financial officers, write to:

1. Express our strong support for the passage of a clean Dream Act bill (H.R. 3440, S. 1615) to ensure that DACA recipients can continue to contribute to our economy as taxpayers, consumers and workers.
2. Strongly condemn the decision to terminate TPS for about 2,500 Nicaraguans and 60,000 Haitians that have been living and working legally in the U.S. Nicaraguans have lived in the U.S. for at least 18 years and Haitians for over 7 years. They are parents, neighbors, and hard workers, and after such a long time it is wrong to expel them.
3. Call on the Trump Administration to issue an extension of the Temporary Protected Status program for immigrants from Honduras and El Salvador. We believe that an extension is critical not only to the rights of the participants, but also to the health of our economy.

There is evidence that the U.S. economy is already suffering from the uncertainty surrounding our broken immigration system. For example, the Trump administration's immigration policy is likely contributing to a slowdown in Hispanic consumer spending, according to CNBC. "Numerous consumer companies flagged weak spending from Hispanic consumers this earnings season," CNBC reported quoting a report by Jefferies. "Weakness doesn't appear to be a result of a deteriorating macro backdrop; rather, it's likely because of uncertainty around immigration policy."[1]

If President Trump follows through on his oft-repeated campaign goal to deport all undocumented workers in the U.S., the consequences would be far more severe. According to one study, a policy of mass deportation could immediately reduce the nation's GDP by 1.4 percent, and ultimately by 2.6 percent, and reduce cumulative GDP over 10 years by $4.7 trillion.[2]

In the short term, the termination of DACA and the non-renewal of TPS protections will produce material negative economic impacts. The economic consequences of ending DACA are alarming:

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[1] https://www.cnbc.com/2017/08/22/research-finds-trump-immigration-policy-likely-hurting-hispanic-spending.html

[2] https://www.americanprogress.org/issues/immigration/reports/2016/09/21/144363/the-economic-impacts-of-removing-unauthorized-immigrant-workers/

- ❏ Ending DACA may result in a loss of $460.3 billion from the national GDP over the next decade[3] and lead businesses and employers to incur at least $3.4 billion in employee turnover costs.[4]

- ❏ One analysis finds that every business day DACA renewals are put on hold, more than 1,400 DACA recipients will lose their ability to work and could be let go by U.S. companies (with the potential loss of employment reaching 700,000 over the next two years).[5]

- ❏ Earlier this year the Cato Institute issued a report that estimates "the fiscal cost of immediately deporting the approximately 750,000 people currently in the DACA program would be over $60 billion to the federal government along with a $280 billion reduction in economic growth over the next decade". In addition, the Cato Institute concludes that "the deportation of DACA participants would cost the American economy billions of dollars, as well as billions of tax dollars foregone, while doing little to address the true concerns that Americans may have about unauthorized immigrants."[6]

The negative consequences of ending temporary protective status for immigrants from Honduras, El Salvador, Nicaragua, and Haiti are similarly troubling. The Immigrant Legal Resource Center estimates that ending TPS for these countries will lead to a $45.2 billion reduction in GDP over the next decade. The wholesale lay-off of the entire employed TPS population from these four countries will also result in $967 million in employee turnover costs.[7]

By contrast, consider the positive impact comprehensive immigration reform would have on the U.S. economy. In 2013 the nonpartisan Congressional Budget Office estimated that enacting the Senate's immigration reform bill would increase real GDP relative to current law projections by 3.3 percent in 2023 and 5.4 percent in 2033 – an increase of roughly $700 billion in 2023 and $1.4 trillion in 2033 in 2013 dollars.[8]

In conclusion, in the context of the data laid out here and of our fiduciary responsibilities to the residents of the jurisdictions we represent, we reiterate our belief that in order to support the health of our local and national economies, it is imperative that:

1) The U.S. Congress pass a clean Dream Act as soon as possible to ensure the ongoing full participation of DACA recipients in generating healthy economic activity, and
2) The Trump Administration issue extensions of the TPS designation for Honduras and El Salvador and reinstate the designation for Nicaragua and Haiti.

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[3] https://www.americanprogress.org/issues/immigration/news/2017/07/21/436419/new-threat-daca-cost-states-billions-dollars/
[4] https://www.ilrc.org/sites/default/files/resources/2016-12-13_ilrc_report_-_money_on_the_table_economic_costs_of_ending_daca.pdf
[5] https://dreamers.fwd.us/wp-content/uploads/2017/08/20170823-DACA-Job-Loss-Report.pdf
[6] https://www.cato.org/blog/economic-fiscal-impact-repealing-daca
[7] https://www.ilrc.org/sites/default/files/resources/2017-04-18_economic_contributions_by_salvadoran_honduran_and_haitian_tps_holders.pdf
[8] https://obamawhitehouse.archives.gov/sites/default/files/docs/report.pdf

As state and municipal financial officers, we know the importance of the economic contributions that DACA and TPS recipients make to our economies. The aforementioned congressional and administrative actions, we believe, facilitate the economic contributions of these populations, and are important steps along the path to comprehensive immigration reform that can provide a pathway to citizenship for all undocumented immigrants and facilitate their participation in the growth of our economy so fundamental to fiscal health for each of our jurisdictions.

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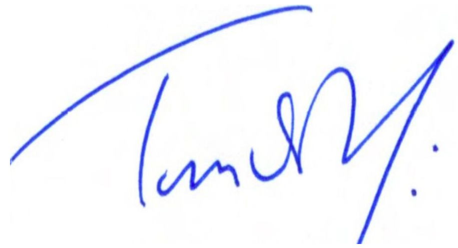

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