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Statement: President's Actions on Immigration Will Benefit the Pennsylvania Economy

HARRISBURG, Pa. (Nov. 25, 2014) – Mark Price, labor economist with the Keystone Research Center, issued the following statement in response to President Obama's announcement last week that he will use the power of the executive office to shield millions of people from deportation and give them authorization to work:

"Bringing undocumented workers out of the shadows and into the above-ground labor market is good for them, good for the economy and good for us all. Specifically, the president's actions will bring the following important benefits to the Commonwealth of Pennsylvania:

Higher Wages

- Bringing undocumented workers into the above-ground labor market will expand the range of jobs these workers can pursue and make it much less likely that they will be taken advantage of by employers. A [meta-analysis](#) of previous research into the impact of workers gaining legal status by David Dyssegaard Kallick, of the Fiscal Policy Institute in New York, concluded that wages rise by up to 10% when workers obtain authorization to work.

Higher Tax Revenues

- With legal status, immigrants will be paying more taxes. The Institute on Taxation and Economic Policy (ITEP) modeled the impact of immigration reform in 2013 and [concluded](#) that reform benefiting 11 million undocumented immigrants would boost state and local tax revenues in Pennsylvania by \$61 million. Because administrative relief, as proposed by the president, is more limited in scope and would benefit roughly 5 million people, state and local tax collections in Pennsylvania would likely rise by about half as much, or \$30 million per year.

A Brighter Fiscal Future

- One of the factors cited by Pennsylvania's Independent Fiscal Office (IFO) as a long-term driver of the state's structural budget deficit is the decline in Pennsylvania's working-age population through 2030. This age group is the primary contributor of income and sales tax revenue in the state. Over the next five years the IFO projects net international migration will account for nearly half of total population gains in Pennsylvania. Making the commonwealth a welcoming place for migrants should be a key priority for lawmakers interested in boosting the long-term prosperity of Pennsylvania."

The Keystone Research Center is an independent, nonpartisan research organization that promotes a more prosperous and equitable Pennsylvania and U.S. economy. Learn more at <http://keystoneresearch.org>.