Insight

The Impacts of the COVID-19 Immigration Suspension

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Executive Summary

- President Trump suspended immigration by halting new green card issuances for 60 days, with clear mechanisms to renew or expand the suspension in the future.
- The order provides significant exemptions for the families of U.S. citizens, individuals already living in the United States, and other immigrants, carve-outs that encompass almost 70 percent of annual green card applicants.
- While the suspension is limited in scope, it is based on faulty reasoning that neglects immigrants' contributions to economic growth, and its expansion could significantly harm the U.S. economic recovery.

Introduction

Yesterday, President Trump signed a proclamation suspending a portion of immigration into the United States. This order follows several steps that the Trump Administration took last month banning travelers from China, Iran, and 28 nations in Europe, as well as closing the border with both Canada and Mexico. The immigration suspension is much more limited than originally anticipated, only applying to approximately 32 percent of green card applicants. Even with these exceptions, however, the justification for the suspension is misguided, and the suspension is unlikely to have a beneficial impact on either the public's health or the economy. Furthermore, the order lays out explicit mechanisms for the suspension to be expanded in the future, and if it is expanded, such restrictions could hurt the economy's ability to recover from the current pandemic.

What is in the Proclamation?

President Trump's latest order halts new green card issuances for 60 days, from April 24, 2020, to June 23, 2020. The scope of this order, however, is significantly limited by several important exemptions. The suspension does not apply to individuals already living inside of the United States with temporary visas, current green card holders, the immediate families of U.S. citizens, individuals applying to the EB-5 immigrant investor program and their families, foreign-born health care workers and their families, members of the U.S. Armed Forces and their families, or individuals whose entry is determined to be in the national interest.

While the initial immigration suspension is only valid for 60 days, the order states that the Secretary of Homeland Security, in consultation with the Secretaries of State and Labor, must recommend to the president whether to extend the suspension within 50 days (by June 13). In a press conference, President Trump indicated that "the need for any extension or modification will be evaluated based on economic conditions at the time."

Furthermore, while the initial suspension only applies to green cards applicants, the order also requires the Secretaries of Homeland Security, State, and Labor to determine if additional measures should be taken to restrict temporary visa programs. The distinction is that green cards grant individuals permanent legal status in the United States, while temporary visas – such as those awarded to seasonal agricultural workers – grant legal status temporarily (often for 3 years) and must be renewed. The review of temporary programs must be completed within 30 days, by May 24.

What will the impact be?

On average, just over one million green cards are awarded to immigrants each year. Approximately half of green cards are issued to new arrivals, and the other half are issued to individuals already living in the United States with valid temporary visas. This split is largely due to the design of the U.S. immigration system; often, the easiest path for individuals seeking to immigrate for economic reasons, as opposed to those being sponsored by a family member, is to first obtain a temporary visa. Therefore, based on the order's exemption for individuals living in the United States, half of green card applicants are exempt.

The order provides additional exemptions for special classes of immigrants. Based on 2018 data, these exemptions will apply to roughly 175,000 individuals. This sum includes 158,000 family members of U.S. citizens, 8,000 immigrant investors and their families, and 8,000 military personnel. The exemptions also apply to health care workers and their families and those deemed to be in the national interest, for which data is unavailable. In total, the immigration suspension will apply to roughly 350,000 individuals, while allowing at least

740,000 individuals to continue obtaining green cards.

Additionally, the order does not prevent individuals from seeking temporary visas. This kind of visa represents a far larger group of people. The U.S. government issues roughly 9 million to 11 million temporary visas each year, over 5 million of which are awarded to short-term visitors for business and pleasure. While the U.S. government is unlikely to grant new visitor visas during the COVID-19 outbreak, it is possible that individuals already in the United States on visitor visas may be able to obtain renewals.

The next highest number of temporary visas is awarded to temporary workers – H-1B workers in science, technology, engineering, and math (STEM) industries; H-2A workers in agriculture; and H-2B workers in industries such as construction, restaurants, and groundskeeping – followed by international students. The order explicitly allows these individuals to continue applying for visas.

President Trump reportedly made the exemption for temporary visas in part due to the importance of H-2A workers in the agricultural industry. According to the U.S. Department of Agriculture, "One of the clearest indicators of scarcity of farm labor is the fact that the number of H-2A petitions requested and approved has increased fivefold in the past 13 years, from just over 48,000 positions certified in fiscal 2005 to nearly 243,000 in fiscal 2018." Without these H-2A workers, it would be even more difficult to ensure the adequate supply of food and other agricultural products during COVID-19.

The other notable carveout is for health care workers, due their significant contributions to the U.S. health care system. Despite comprising only 13.7 percent of the population, immigrants represent 28.5 percent of physicians, 20.9 percent of nursing assistants, and 18.9 percent of health care diagnosing or treating practitioners.

It is important to note that, before this proclamation, the United States had already taken significant steps to limit legal immigration in response to COVID-19. In addition to travel bans and border closures ordered by President Trump, the State Department in March halted all routine visa processing services, including in-person interviews and biometric data collection, and this halt can either cease or significantly lengthen the process of obtaining a green card. The halt in processing is temporary, but it has already been extended twice from the original April 1 termination date to May 3 and will likely remain until businesses open. Therefore, the impact of this order in practice will not be radically different from the impact of prior actions by the Trump Administration.

Is the Proclamation Justified?

President Trump's primary justification for suspending new green cards was economic. In

the order, the president describes green card holders as a threat, stating "there is no way to protect already disadvantaged and unemployed Americans from the threat of competition for scarce jobs from new lawful permanent residents." The White House further justified the suspension by arguing that mass migration disproportionally harms poor Americans and claiming that "decades of record immigration have produced lower wages and higher unemployment for our citizens."

There are several problems with these arguments.

First, immigration levels to the United States are not as extraordinary as the Trump Administration claims. Each year, new immigrants make up roughly 0.3 percent of the U.S. population.[1] That number is higher in both Australia (0.9 percent) and Canada (0.8 percent). Immigrants in both Australia and Canada also make up roughly 28 percent and 22 percent of their respective populations, a much higher proportion than the roughly 14 percent in the United States.

Second, research has shown that immigrants fuel economic growth and benefit most U.S. workers, directly contradicting the president's claims. Estimates suggest that economic growth between 1990 and 2016 would have been approximately 15 percentage points lower in the absence of immigration. Research has also found that immigration increases productivity levels, contributing to both job creation and economic growth. Furthermore, while the research on wages is mixed, the vast majority of studies conclude that immigrants have at most a modest impact, whether positive or negative, on the wages of U.S.-born workers. Regarding unemployment, there is little evidence that immigration has any impact on the U.S. unemployment rate.

There is also little evidence that an immigration suspension is justified from a public health perspective. While it may seem reasonable to halt immigration to slow the spread of COVID-19, research shows that "there is no benefit to international travel restrictions once an outbreak has already become a pandemic inside the destination country." At most, restrictions of this kind delay the spread of disease by a few weeks.

Finally, while the immigration suspension may be temporary, its duration is unknown. President Trump and other government officials will decide when to end the suspension based on subjective factors related to the economy. Based on current economic projections, however, the suspension is unlikely to be reversed any time soon. COVID-19 is projected to result in one of the largest economic downturns in history, both for the United States and the global economy, and it may be years before the U.S. economy fully recovers. Cutting the United States off from immigration for a significant period of time – especially if the president expands the suspension to encompass additional green card applicants and

temporary workers that fuel integral sectors of the labor market – will put the U.S. economy even more at risk.

Conclusion

The president's immigration suspension is limited in scope, applying to only 32 percent of green card applicants. Even with these limitations, it is based on faulty reasoning. Contrary to the president's claims, immigrants generate additional economic activity that fuels economic growth. Without vital foreign-born workers in agriculture, health care, and technology industries, the U.S. economic recovery will suffer – realities reflected in the exemptions to the immigration ban itself. Moreover, the order's potential for expansion, both in its duration and scope, could prove to be significantly harmful to the United States.

[1] Based on immigration statistics from the Department of Homeland Security and population statistics from the World Bank.