



Insight

Pro-Growth Immigration Reform

MAY 10, 2021

- The United States grants two-thirds of its visas based on family connections, while other countries such as Australia and Canada focus their immigration systems on economics.
- The key to pro-growth legal immigration reform is to fundamentally revamp the core visa-granting criteria to focus on skills and labor productivity.
- A point-based system that seeks to fill skills gaps, boost productivity, and combat demographically driven population decline could be a broadly attractive reform option.

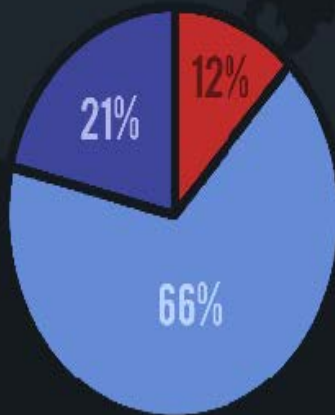
The Reason for Reform

The United States' immigration policy has never been part of an economic growth strategy, and the current system puts the United States at a competitive disadvantage. The U.S. immigration system prioritizes family ties, but other countries prioritize their economic self-interest.

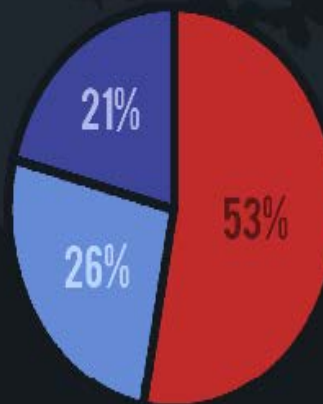
Nevertheless, most reform proposals do not focus on the economic impact of immigration. The Biden Administration's recent proposal, for example, focuses on legalizing illegal immigrants while making little change to the legal immigration system.

IMMIGRANT ADMISSIONS BY CATEGORY, 2017

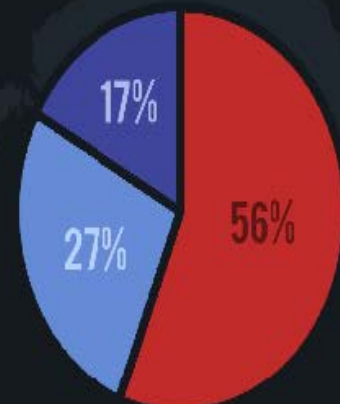
● Economic ● Family ● Humanitarian/Other



UNITED STATES



CANADA



AUSTRALIA

The key to [pro-growth reform](#) is to fundamentally revamp the core visa-granting criteria to focus on skills and labor productivity. Focusing legal immigration policy in this way could advance entrepreneurship, augment productivity gains, fill skills gaps, and combat demographically driven labor force declines. Such a reform could be a powerful force for economic growth—and may provide an attractive reform option for a broad range of policymakers and voters.

Pro-Growth Legal Immigration Reform

The American Action Forum has outlined [one such reform](#). The proposal has two parts.

- **Points System:** Highly skilled, highly educated, and entrepreneurial workers would gain access to permanent visas through a new point system. Applicants would be awarded points for education and experience. More points would be awarded for English proficiency, family relationships, and experience in high-demand fields.
- **Temporary Visa System:** Individuals that do not meet the points threshold, for instance because of lower education levels, would be eligible for admission through a temporary worker program. These individuals could then transfer to the permanent visa program after six years of demonstrated labor market success.

This proposal would be a marked departure from current U.S. immigration policy. By prioritizing the needs of the United States, it would leverage the advantages of immigration to boost the economic prospects of everyone.

This brief is adapted from “[Building a Pro-Growth Legal Immigration System](#),” AAF’s immigration-reform proposal.