

Press Release



Benchmark Immigration Reform Would Boost Growth and Reduce Deficit

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WASHINGTON – The American Action Forum (AAF) [today released a study](#) outlining the channels for immigration reform to translate in to better economic growth and budgetary performance. The paper concludes that “a benchmark immigration reform would raise the pace of economic growth by nearly a percentage point over the near term, raise GDP per capita by over \$1,500 and reduce the cumulative federal deficit by over \$2.5 trillion.”

The study finds that only 6.4 percent of visas issued in the United States are issued for economic reasons, versus 33 percent in the United Kingdom. Doug Holtz-Eakin explains that “any discussion of immigration reform that omits the benefits on economic performance is incomplete.”

The study finds that “more rapid population growth translates directly into more rapid GDP growth rates by 0.25 percent annually over the first 10 years.” Combined with improved productivity and labor force participation, and accounting for dynamic effects, the economic and budgetary opportunities in immigration reform are clear.

By the numbers:

- Overall growth rate in real GDP would rise from 3.0 percent to 3.9 percent, on average annually, over the first ten years;
- Over the first ten years of benchmark immigration reform, the federal deficit would be reduced by a cumulative amount of \$2.7 trillion;
- Per capita income would increase by \$1,700 after ten years.

[Read the complete study here.](#)