Why the US Needs Migrants

Cleaning Up the Mess

Is there no honor among Republicans? Here we have FL Governor DeSantis stealing migrants from his presidential rival Texas Governor Abbott, and shipping them off to Martha's Vineyard to gain national headlines. All Abbott could think of was another boring bus trip to New York. Were both men not Republican governors, they would have been arrested for kidnapping long ago.

But events have turned on DeSantis. In the wake of Hurricane Ian, thousands of migrant workers are flocking to Florida to work on the cleanup.

"They're arriving from New York, from Louisiana, from Houston and Dallas," says Saket Soni, executive director of the nonprofit Resilience Force, which advocates for thousands of disaster response workers. The group is made up largely of immigrants, many of whom are undocumented, Soni says. Much like migrant workers who follow harvest seasons and travel from farm to farm, Soni says these workers crisscross the US to help clean up and rebuild when disaster strikes.¹

DeSantis, of course, is furious. "These are people that are foreigners, they're illegally in our country, and not only that, they try to loot and ransack in the aftermath of a natural disaster."² He urges Floridians to hire local labor, but there is no adequate supply of local labor willing to shovel mud and replace roofs for the minimum wages out of which they are often cheated. In fact, there is a labor shortage.

The Labor Shortage

The Florida labor shortage spotlights a much larger problem to which migrants are part of the solution. The <u>US Chamber of</u> <u>Commerce</u> says, "If the percentage of people participating in the labor force was the same as in February 2020, we would have 2.9 million more people in the workforce today—and this shortage is impacting all industries in every state. If



every unemployed worker took an open job in their industry, there would still be millions of open jobs."

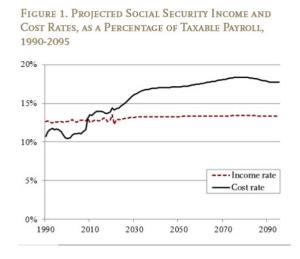
In a 2020 study, the <u>Center for Migration Studies</u> said, "In the great majority of US states, the foreign-born participate in the essential workforce at higher rates than the

¹ CNN 10/7/22, <u>https://www.cnn.com/2022/10/06/us/migrant-workers-hurricane-ian-response-cec</u> 2 *Id*.

native-born.... Immigrants are working – often at great risk to their health and lives – to keep Americans safe, healthy, fed, and poised for economic recovery." The CMS report shows that foreign born workers made up 31% of New York State's essential workforce in 2018. That figure is probably higher now. And, there's another reason we should welcome migrant workers and, indeed, all immigrants.

Fixing Social Security

Last September, Speaker Nancy Pelosi reminded the country that 158 out of 212 House Republicans, including top GOP leadership Members Whip Scalise and Chair Stefanik, have called for slashing and privatizing Social Security, raising the retirement age to 70, and ending Medicare as we know it is part of the <u>Republican Study</u> <u>Committee FY2023 budget</u>.³



Due to a combination of falling birth rates, lower labor force participation, the retirement of the Baby Boomers and increased life expectancy, it is true that there are long term financing problems with Social Security and Medicare.⁴ The addition of younger migrant workers can go a long way to relieving the imbalance of roughly only two working people paying into the system to one retiree receiving benefits.

Contrary to what the Republicans would have us believe, foreign-born workers, nearly half of whom are Spanish speaking, participate in the workforce

at a higher rate than their native-born counterparts: 65% compared to 61% of the native-born. Among men the difference is striking, with 77% of foreign-born men in the labor force as compared to 66% of native-born male workers. (Native-born includes the second generation of recent immigrant families as well as Mayflower immigrants.) Foreign born workers tend to be younger. The proportion of foreign-born workers in the 25 to 54 year age group is 71% compared to 62% of the native-born.⁵

For Social Security and Medicare to actually benefit, these workers must be protected from wage theft with better policing to ensure that they are paid on the books with employers contributing their required share of payroll taxes. Raising the federal minimum wage from \$7.25 an hour to the \$15.00 that we have here in New York would bring even more into these funds.

It is a longer story for another time, but it is worth mentioning here that 90% of the Social Security shortfall would be eliminated by removing the payroll tax cap.⁶ The 2022 cap is \$147,000 – any wages above that are not subject to Social Security tax. The Social Security tax falls only on wages, not wealth from stocks, real estate, etc. In

³ House GOP Twitter Account Calls for Slashing Social Security & Medicare | Speaker Nancy Pelosi

⁴ Center for Retirement Research September 2021

⁵ Bureau of Labor Statistics May 18, 2022

⁶ National Committee to Preserve Social Security and Medicare Jan. 25, 2022

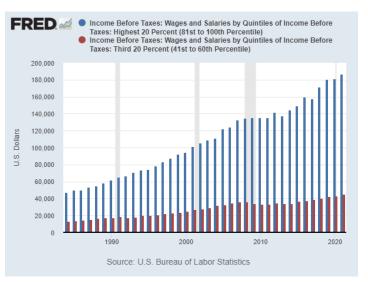
recent years, the wages of low- and middle-income workers have been stagnant while those at the top have risen dramatically. Removing the cap would capture this increase for the retirement system.

In this chart the blue bars represent the average annual wages and salaries of the richest 20%, which in 2021 was \$187,134. The red bars are average wages of the middle class, *i.e.*, people in the third highest 20% of wage earners, which was \$44,915.

In 2023 the cap will be raised to \$160,200. It seems likely that the wages of the top 20% will also rise.

Tell the Whole Story!

The Biden Administration is rightly



treating the wave of immigration from south of the border as a humanitarian crisis, but is missing the opportunity to tell the country about the vital role that recent and older generations of migrant workers play in the economy. For example, the meat processing industry employs roughly 310,000 people who are mainly Spanish speaking. At Tyson alone they process roughly 2.3 billion chickens a year, and work under the most miserable conditions for the lowest wages.⁷ Would any sane person really want to deport them? How many of the people who claim that migrants are taking their jobs, are ready to work in a chicken plant for a starting wage of \$9.00 an hour? ⁸ We don't applaud these conditions, just the opposite, but we do applaud the people who do this work. If the role of migrant labor in the whole economy were told, it would change the political debate.

Postscript 11/02/2022

Today's New York Times headline: "Canada Seeks to Attract 1.45 Million Immigrants."

"With nearly one million job vacancies across the country, Canada is turning more squarely toward foreigners to address its labor shortage and has set record-breaking immigration targets for the coming three years. "

According to Sean Fraser, Canada's immigration minister,

"If we don't do something to correct this demographic trend, the conversation we're going to have 10 or 15 years from now won't be about labor shortages. It's going to be about whether we have the economic capacity to continue to fund schools and hospitals and public services that I think we, too often, take for granted."

⁷ The Guardian https://www.theguardian.com/environment/2021/aug/11/tyson-chicken-indsutry-arkansas-poultry-monopoly 8 https://www.theguardian.com/environment/2021/aug/11/tyson-chicken-indsutry-arkansas-poultry-monopoly 8 https://www.theguardian.com/environment/2021/aug/11/tyson-chicken-indsutry-arkansas-poultry-monopoly 8 https://www.theguardian.com/environment/2021/aug/11/tyson-chicken-indsutry-arkansas-poultry-monopoly