

A snapshot of Immigration Flows into the US

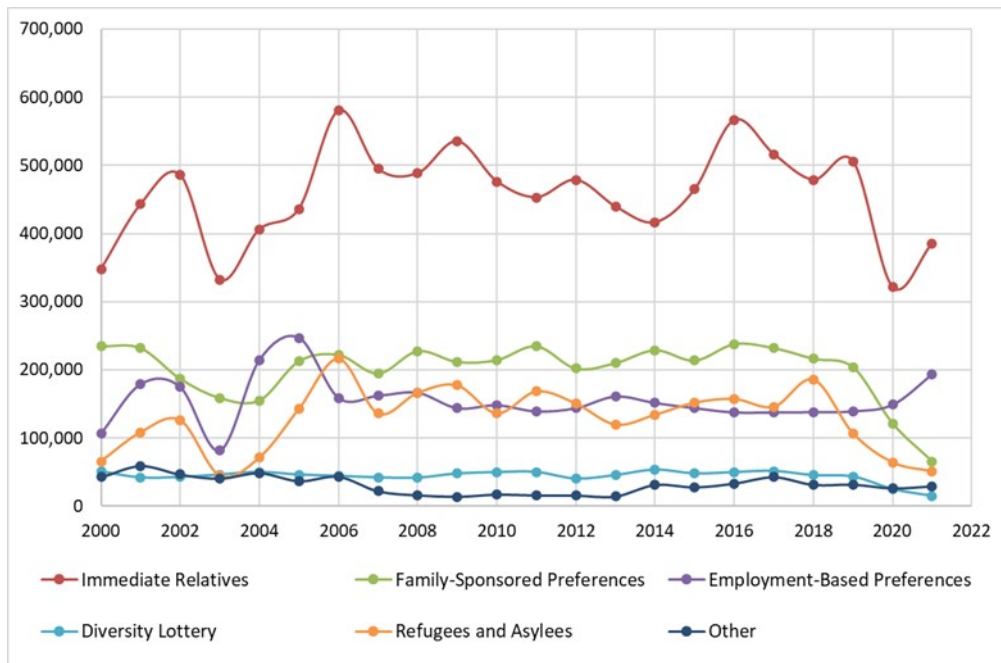
By ARMANDO LOPEZ-VELASCO

THE US IS A RICH COUNTRY to which many people from developing countries would like to migrate to. The opportunities to migrate are restricted to people who fall into certain categories: relatives of US citizens (with priority given to immediate relatives of American citizens but there are permits to other relatives under “family-sponsored” preferences like siblings of American citizens), workers with certain skills (mostly classified as high-skilled), permits for refugees and asylees; and finally there is a “diversity” lottery where people from countries with low rates of immigration to the US can apply.

The number of permanent resident permits given in the US for the period 2000-2021 are shown in figure 1. For the years 2000-2019, which do not include the last 2 years as they can be atypical due to the pandemic, approximately 65% of all the permanent residence permits were allocated towards family-based immigration, which represents an average of about 680,000 permits per year. Skill-based categories represent about 154,000 permits per year (almost 15%), refugees and asylees were given an average of 135,000 permits (almost 13%) while about 47,000 (4.5%) permits were allocated to the diversity lottery. Finally, about 3% were given for other categories.

Figure 1: Permanent resident permits given by type of immigrant (2000 – 2021)

Source: Department of Homeland Security, Yearbook of Immigration Statistics.

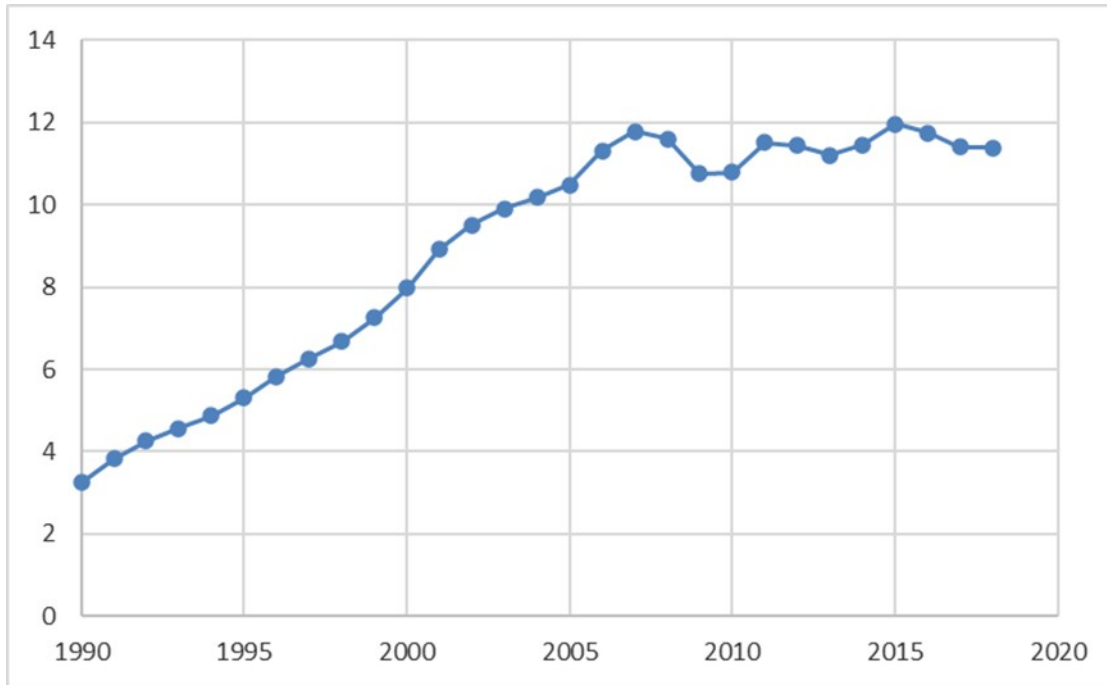


For people that do not have close relatives which are US citizens nor qualify for having special skills that would allow them to migrate to the US (e.g. a Ph.D. from an American University), there does not exist a mechanism that would allow them to come to the US to work legally either in a temporary or permanent way (with minor exceptions for some workers). For those individuals, the only way to come and work in the US is via unauthorized immigration, either in the form of crossing the border illegally (mostly through the Mexican border) and which is a very risky proposition that often involves paying large sums to human smugglers better known as “coyotes” as well as a very dangerous journey, or in the case of having a temporary visiting permit (i.e. a tourist-visa) by violating the terms

of their stay (typically overstaying in order to work). Figure 2 displays the stock of unauthorized immigrants for the period 1990-2018. This number starts at about 3 million in 1990, and reaches a maximum of 12 million in 2007 and 2015, with a decrease in 2008-2010 due to the effects of the housing crisis which dried up the demand for many jobs which unauthorized immigrants tend to occupy (e.g. construction workers) as well as the effects of the economic downturn. These numbers are in the aftermath of the legalization (amnesty) of 2.7 million of unauthorized immigrants under the Immigration Reform and Control Act (IRCA) passed in 1986. IRCA also devoted more resources for border enforcement in an attempt to control future unauthorized immigration.

Figure 2: Unauthorized immigrants residing in the US, years 1990-2018 (Millions)

Source: Department of Homeland Security. Years 1990 to 2004 inferred from growth rates constructed from estimates of the unauthorized population residing in the US by Warren and Warren (2013).



With regards to whom specifically are these unauthorized immigrants, figure 3 shows two snapshots of their country of origin for years 2000 and 2018. Mexican citizens represent the largest share, but such number has (steadily) decreased from 55% in 2000 to 47% in 2018. Central American countries have seen their shares increased over the same period: El Salvador from 5% to 6.4%, Guatemala from 3.4% to 5.4% and Honduras from 2% to 4%. At the same time, there are other countries who used to represent a small share of unauthorized immigrants but who now make a significant amount: China, India and Philippines accounted for about 6% of the total stock of unauthorized immigrants in 2000 but accounted for almost 12% in 2018 (most of their citizens via overstaying their visas rather than crossing the border without a visa). Similarly, Venezuela, Colombia and Brazil used to represent about 2% in 2000 but represent slightly more than 5% in 2018.

Flows of unauthorized immigrants respond to “pull” (from the host economy) and “push” (from their country of origin) factors, as well as to the level of enforcement in the host country (see for example Orrenius and Zavodny (2013) and the references therein). High growth and low unemployment in the host economy are factors that tend to attract immigrants, while low growth in the sending economies, high unemployment and political instability in the sending economies are factors that tend to increase the supply of immigrants, everything else constant. For these reasons, the flow of unauthorized immigration is to be thought of as “equilibrium” migration flows which adjust in response to these forces. In the case of family-based migration flows, since the US laws are such that there is no limit to who can come in the form of immediate relatives (parents, natives and children of American citizens), it implies that they are also equilibrium migration flows. Skill-based immigrants may or may not be an equilibrium flow in the sense that there is a limit in the number of high-skilled immigrants that can come to the US in a given year and that number is typically exhausted every year (thus the short side of the market would determine skill-based immigrants flows), while the case of refugees is a category that the US decides for diplomatic reasons in response to conflicts and international crisis/disasters.

Figure 3: Origin of Unauthorized population residing in the US, 2000 and 2018

Source: Department of Homeland Security.

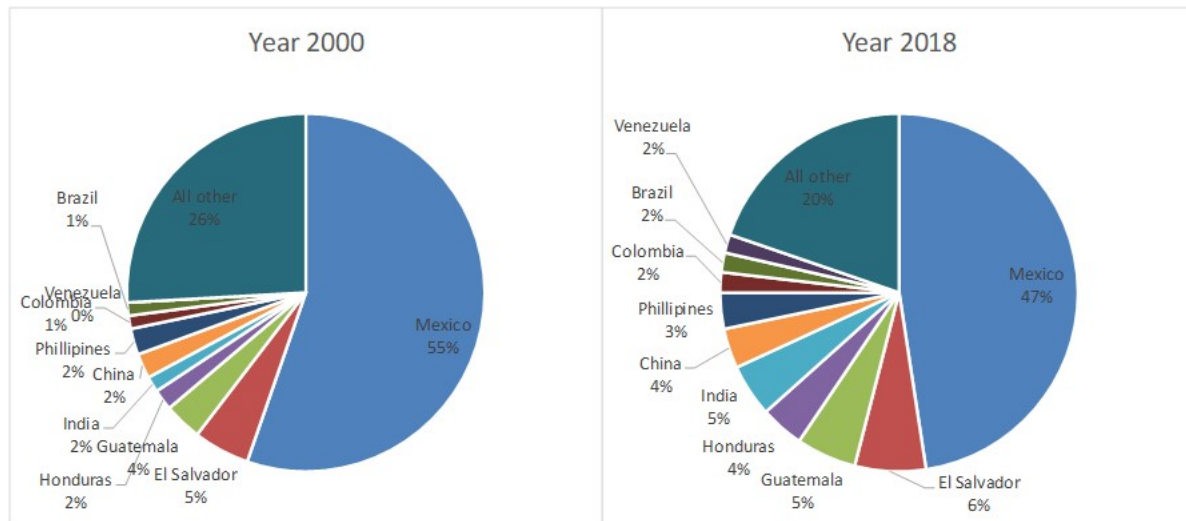


Figure 4 illustrates that expenditure in enforcement, as captured by the US Border Patrol budget for the period 1990-2021, has been steadily increasing from almost .005% of GDP in 1990 to almost .023% of GDP in 2021. Yet unauthorized immigration kept increasing for much of this period until the housing crisis hit in 2008. Precisely because unauthorized migration responds to different forces, for all practical purposes bringing unauthorized immigration to 0 is impossible to achieve as there are real costs of enforcing the border and there are other variables that enter the decision whether to migrate or not in an unauthorized way, in addition to moral issues and diplomatic relations. A possible amnesty for unauthorized immigrants has cost and benefits that are hard to quantify. Among the benefits, one can expect higher rates of income taxes paid by immigrants (though many do pay income taxes via an ITIN number¹) from having a legal status; better allocation of talent as currently those immigrants tend to concentrate in certain industries for which a job doesn't require a social security number (e.g. construction workers, gardeners, domestic workers, etc.) as opposed to working in the sector where their productivity is highest and which would also lead to higher tax revenue; and there's also the human benefit that there are many families in the US where some of the members have legal status but some others do not. On the cost side, unauthorized immigrants do not qualify for most government transfers and so any amnesty would likely impact those costs. Similarly, unauthorized immigrants currently do not have social security benefits (even though some of them do pay social security taxes by means of an ITIN number) which could change under a possible amnesty. Also, as Orrenius and Zavodny (2013) have argued, IRCA lead to more legal immigration since the current system favors family-reunification. So, after gaining legal status, many of the legalized immigrants through IRCA were able to petition for their relatives once they became US citizens. Another point of contention is the right to vote that immigrants might obtain if they choose to become citizens (typically after having at least 5 years of permanent residence). Finally, there's an expectation channel where a current amnesty could lead to an expectation of a future amnesty as this arguably happened with IRCA, and hence in the absence of other enforcement measures and some form of temporary/guest worker program (discussed later), continued unauthorized immigration could be the result. Hence the political hot-potato that is any possible amnesty.

Arrest data

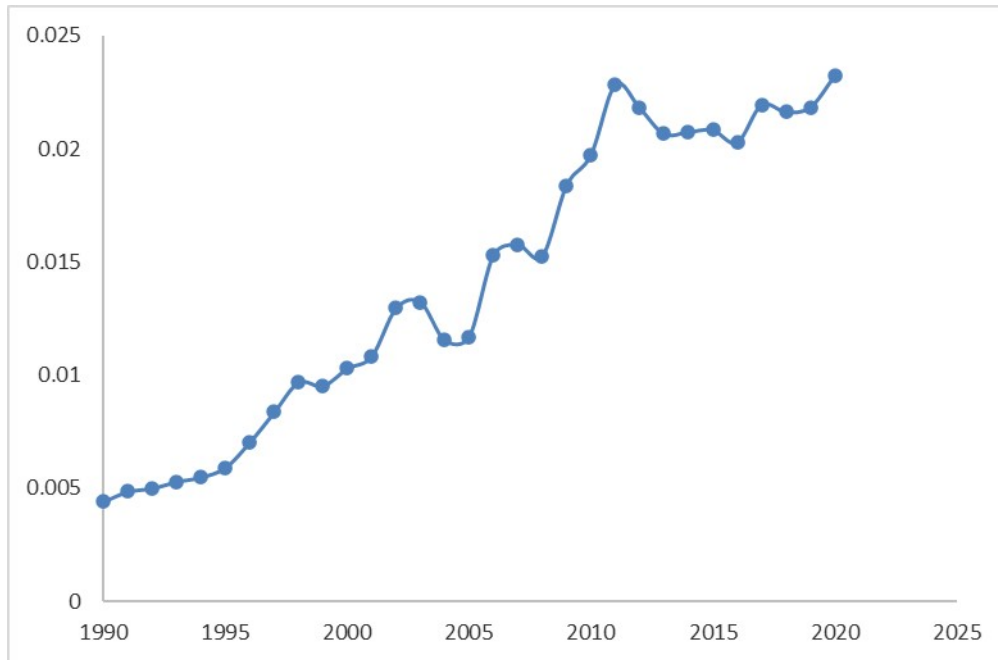
Arrest data offers an interesting snapshot of who comes to the US in an unauthorized way. Figure 5 shows the number of arrests by the border patrol along the Mexican border, starting in 2008 as available from the Transactional Records Access Clearinghouse (TRAC) at Syracuse University. Starting in 2008, these numbers stayed below 500,000 arrests per year until 2019 which saw 860,000 arrests, then decreased during 2020 when countries closed borders and much of the economic activity was restricted during the early stages of the COVID pandemic. Finally, 2021 and 2022 have seen these numbers skyrocket to 1.65 and 2.2 million arrests respectively.²

¹A social security number is needed in order to work in the US. In absence of it, immigrants can request an Individual Tax Identification Number (ITIN) for tax purposes.

²Number of arrests is not the same as numbers of aliens apprehended since some of them can do multiple tries in a calendar year if

Figure 4: Border Patrol Budget as % of GDP

Source: US GDP available at World Development Indicators. Data on Budget of the Border Patrol from American Immigration Council.



The border Patrol divides the border with Mexico into 9 sectors. Five of these are located in Texas, which are Rio Grande Valley (RGV), Laredo, Del Rio, Big Bend and El Paso sectors. The other sectors covering the border with Mexico are Tucson, Yuma, El Centro and San Diego. Figure 5 also shows how many of the annual arrests took place in the RGV Sector.

From 2008 to 2011 The RGV sector had between 10 and 20% of all the arrests in the Mexican border. Starting in 2012 the RGV has become the sector with the most arrests, suggesting that there are more attempts to cross through this sector. Indeed, more than 52% of all the arrests during 2014 took place in the RGV. More recently, in 2021 the RGV share of arrests was 33%, which corresponds to about 549,000 arrests in 2021.³

Figure 6 shows the countries of origin of the people most recently arrested by Border Patrol Officers, starting in 2018. In previous years, most of these unauthorized immigrants used to come from Mexico, Guatemala, Honduras and El Salvador. Starting in 2021, a significant share of those arrests corresponds to individuals from other countries. In particular, other Central and South American countries including Cuba, Nicaragua, Venezuela, Ecuador, Brazil, Colombia, Haiti and Peru represented less than 2% of the arrests in 2018 when combined (and also in previous years, not shown), but lately those countries represent 20% of the arrests in 2021 and 40% of the arrests in 2022 (with data until July of 2022). There are also distant countries that historically were not represented among the arrested at the southern border, including people from India (14,826 arrests from January to July of 2022), Turkey (12,562), Romania (5,455), Georgia (4,728), Russia (3,987), Uzbekistan (2,755), Senegal (2,237), Bangladesh (1,790), Ghana (1,751), Angola (1,455) and China (1,244), among many others.

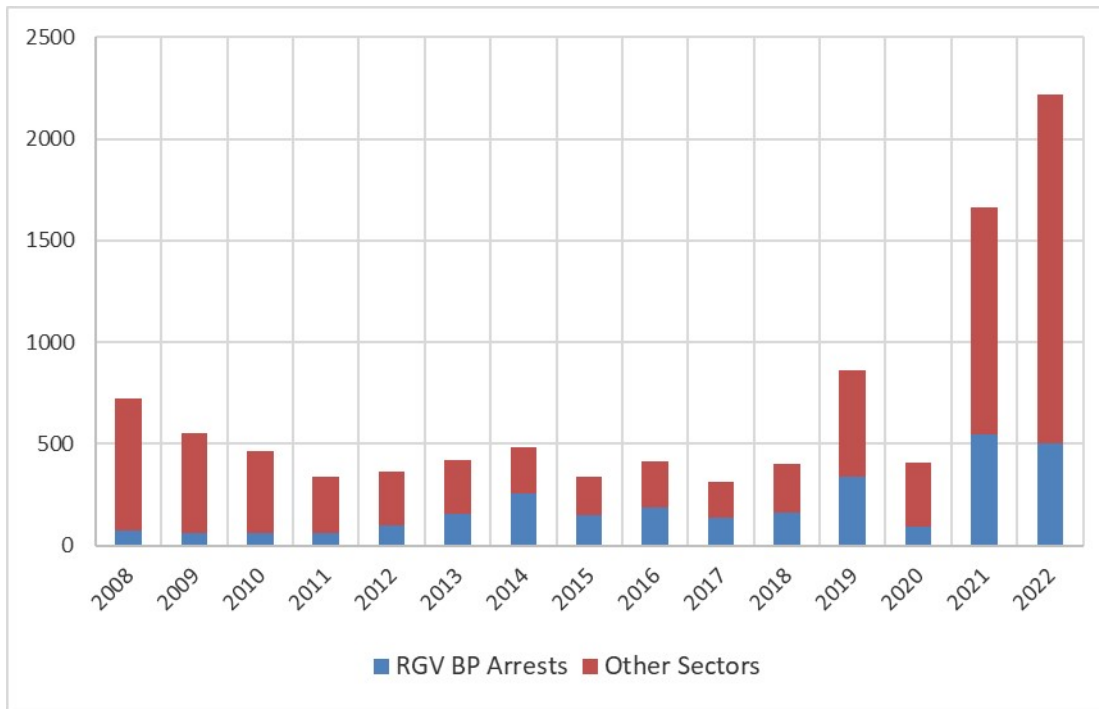
At this level of generality and without more data it is impossible to disentangle the specific reasons for why the recent increase in arrests and which presumably implies both a higher number of people arrested (as there is a possibility of attempting to cross multiple times) and a larger pool of people attempting to cross in an unauthorized way (some of which are successful and of course do not get counted in arrest data), but a few reasons are easy to identify. First, the pandemic affected countries in unexpected and asymmetric ways (not all sectors were equally affected) and thus lack of opportunities in the sending countries might have precipitated at least some of this increase. Second, the timing is also consistent with the change of administration in the US. There might be a perception by immigrants that the Biden administration might be less inclined to expel immigrants as compared to the Trump

deported to Mexico. Still, when seen as a proxy, the number of arrests are indicative of a bigger pool of people trying to enter the US in an unauthorized way.

³In the months of January to July of 2022 there were 374,645 arrests in the RGV sector. The RGV share of total arrests up to that point in time was 22%.

Figure 5: Border patrol arrests in the Mexican border (1000's)

Source: Transactional Records Access Clearinghouse (TRAC) at Syracuse University. Number of arrests at Rio Grande Valley sector for year 2022 are a projection from the observed numbers from TRAC for 2022 arrest numbers until July of 2022. Total arrests for year 2022 available from the CBP website.



administration (though the Biden administration kept using title 42 to quickly expel immigrants attempting to obtain asylum in the US until May 11th of 2023).⁴ The evidence from both old countries and the newer countries comprising a significant number of arrests at the southern border also suggest either an expectations channel, or perhaps diffusion of know-how about how foreigners can come through Mexico in order to attempt to cross into the US.

Finally, title 42 which started in March of 2020, resulted in many people sent to Mexico during the pandemic, and this in turn created incentives to repeatedly attempting to cross into the US. Hence it is possible that the numbers for 2021 and 2022 are much more inflated than previous years in terms of counting aliens attempting to cross (as opposed to counting number of arrests). It is possible to estimate the number of aliens apprehended from the data on repeated arrests, which yields an estimate of slightly more than 1 million of aliens arrested in 2021, a number still higher than the number of arrests (also overstating aliens arrested but probably less) in any previous year to 2021 and thus the increase in foreigners remains.⁵

Figure 7 shows another recent phenomenon, the rise in the number of unaccompanied children coming to the US. In 2008 the total number of unaccompanied children was slightly above 8000, while in 2021 this number was almost 145,000. During the period discussed, more than 95% of them came from Mexico, Guatemala, Honduras, and El Salvador and for most of the period there was an upward trend. Recently (2021) the biggest shares came from Guatemala (40%) and Honduras (27%).

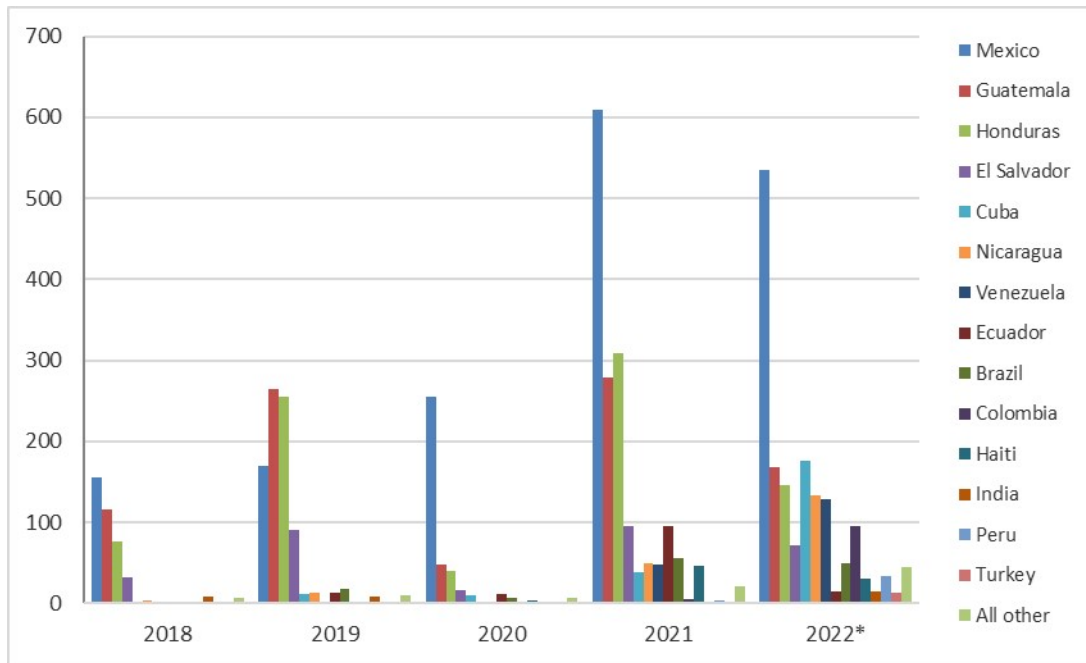
But why the increase in unaccompanied children? The situation of the sending economies could help explain some of these flows as the countries in Central America are relatively poor compared to other countries in the American continent, with a high poverty rate and violence. Then there is also incentives. In 2008 the US passed the William Wilberforce Trafficking Victims Reauthorization Act of 2008, which among other things created specific legal protections for minors traveling alone and which can produce a tension between the objectives of protecting the

⁴Title 42 was a law passed in 1944 which had never been used before and which gave authorities the power to expel people at the border in case of contagious disease, in this case used for the Covid pandemic. Hence even if some of those potential immigrants were claiming asylum, the US could quickly expel them at the border and not process those applications. In some cases, this resulted in quickly deporting them to their home countries, and in some other cases leaving them in Mexico. Eventually the Biden administration stopped applying title 42 to minors (January of 2021) as the CDC issued an order that title 42 was not to be applied to minor immigrants.

⁵Using TRAC data it is possible to estimate the number of aliens from statistics on the frequency of observations with specific number of arrests. In 2021 the estimated number of aliens is 1,040,695.

Figure 6: CBP arrest data by country of origin 2018 -2022 (Thousands)

Source: Transactional Records Access Clearinghouse at Syracuse University. Data for 2022 until end of July.



children from trafficking and the improved incentives for minor migrants to come unaccompanied precisely because of the better protection and possibility of staying at the US while their case is resolved.

Since 2012, the majority of unaccompanied children have been arrested at the border through the RGV sector. For example, in 2021 in the RGV sector there were 76,284 arrests out of 144,873 minors arrested (almost 53%). Often, minors turn themselves at the border to be arrested, as they are typically held in detention, and finally released to some family member in the US or to some sponsor after some days (perhaps months when detention centers are full). Of the minors which have been apprehended from 2014 to 2019, only 4% have been expelled (Hesson and Rosenberg (2021)). In addition, under title 42 (discussed below) during the pandemic minors could be expelled if traveling with their families, but not necessarily if they were traveling alone and which reinforces the incentive to split at the border -assuming they have someone on the US waiting for them. Finally, these numbers cannot show how many minors are abused, exploited and even die during the journey from other countries as only those that arrive and are arrested are counted.

Concluding Remarks

There are different types of immigrants and many different programs in the US that regulate immigration (directly in the case of legal immigration and indirectly via enforcement in the case of unauthorized immigration). This note attempts to present the state of immigration flows to the US and discusses some of the immigration challenges. Due to the complexity of the topic and in order to keep the discussion short, the note does not attempt to discuss comprehensive immigration reform.⁶

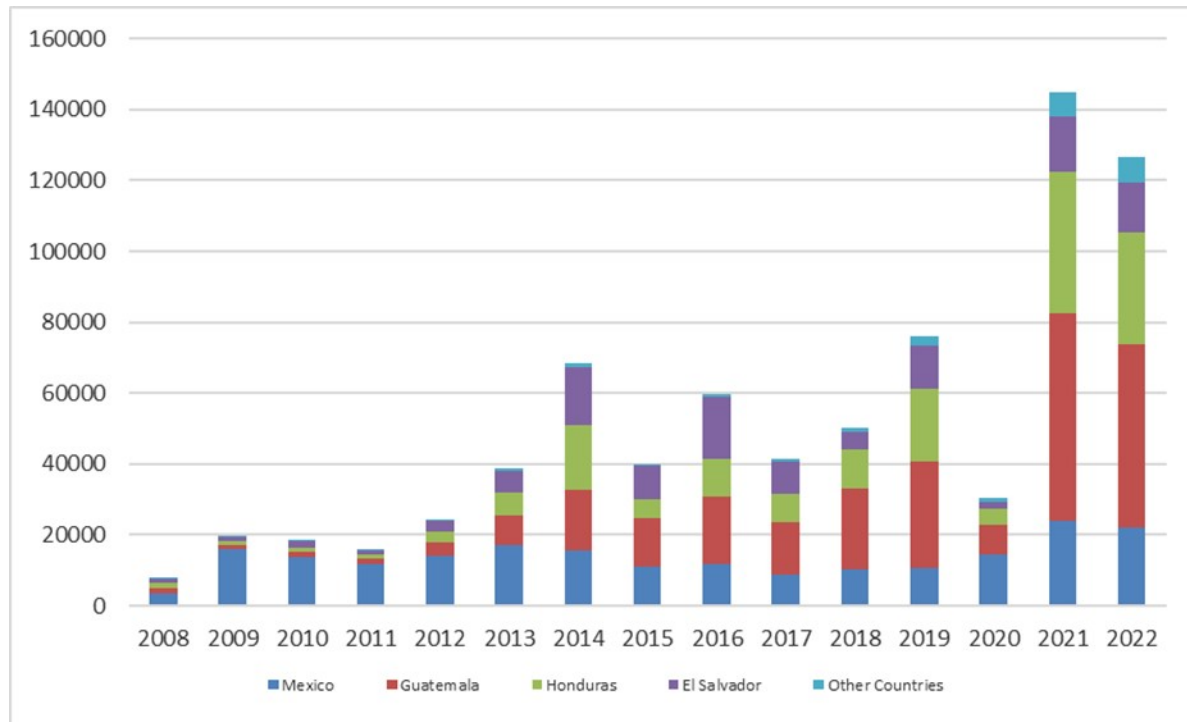
With respect to unauthorized immigration, addressing push factors (violence, lack of opportunities, poverty, etc.) is clearly important but it is something that depends heavily on the institutions and quality of the government of the sending countries. What a host economy like the US can control is the level of legal migration allowed into the country as well as the type and level of enforcement. An enforcement-only approach is unlikely to control unauthorized flows and is also likely to impose high human costs. There is possibly a better solution that could represent a win-win situation for the US and to many would-be unauthorized immigrants: the possibility of a guest or temporary worker program. There are some advantages of a guest worker program when the alternative is unauthorized immigration⁷:

⁶For an analysis of what constitutes an optimal immigration policy and how different forces shape the demand for the different immigration flows, please see Lopez-Velasco (2022).

⁷The possible wage effects of immigration are ignored in this discussion since the alternative to a guest worker program is unauthorized

Figure 7: Unaccompanied Children Arrested at Border by Origin

Source: Transactional Records Access Clearinghouse at Syracuse University. Data for 2022 until end of July.



it would allow for a way to come and work for a category of people that currently have no legal way of coming to the US. The stay is temporary as opposed to permanent as the current system ends up inducing unauthorized migration with a long stay (see Orrenius and Zavodny (2013)) due to the high costs of crossing.⁸ Since by definition a guest worker program allows people only temporary in US soil, in a decade there could be a larger number of people who would benefit from working in the US temporarily as opposed to the same stock of people over many years under unauthorized immigration. Then those temporary workers would return to their home economies with some capital. Also, for national security issues, a guest worker program would be preferred over unauthorized immigration. Finally, other countries that are traveled during the journey to the US (e.g. Mexico) would also benefit from the existence of such program as many of the immigrants that are rejected in the US might end up in Mexican cities. Some of the big winners of the status-quo are the criminal groups which charge significant amounts of money in attempts to smuggle people into the US or who kidnap or exploit foreigners while in transit to the border. Because of that, many potential immigrants would prefer to apply for a legal temporary worker permit, thus leading to some tax revenue (cost of the permit) plus some savings as compared to an enforcement-only framework in that the pool of potential unauthorized immigrants would be theoretically lower. Finally, the journey to come to the US would not be as dangerous as it is right now.

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immigration (as opposed to zero unauthorized immigration) and thus for a same pool of workers under each regime, the wage effects would be approximately the same under each scenario. Whether immigration affects wages of natives is an empirical question where the results are essentially mixed. See for example, the survey in Kerr and Kerr (2011).

⁸Orrenius and Zavodny (2013) argue that previous to the events of September 11 of 2001, unauthorized immigrants from Mexico would come to the US and work for a season, then go back home. After these events, an emphasis on national security at the border made crossing a more expensive and complicated endeavor. Since crossing back and forth became unfeasible, duration of the stay became much longer (mostly permanent).

Endnotes

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