

**Pennsylvania House Majority Policy Committee Hearings on Illegal Immigration
Constitution Center, Philadelphia, July 27th, 2006**

Good morning, Chairman Civera and Members of the Committee. Thank you for inviting me here today and giving me, an immigrant, the opportunity to share my views on the urgent challenge of dealing with an issue that is complex and frequently misunderstood.



My name is Anne O'Callaghan and I am the Executive Director of the Welcoming Center for New Pennsylvanians. Our offices are located in Center City Philadelphia but our clients come from all over Southeastern Pennsylvania. At the Welcoming Center we believe that immigration is a much overlooked resource for workforce and economic development in our State.

Historically, immigration has fueled economic development, acted as a catalyst for international trade and investment and enriched the cultural landscape. Immigrants have provided labor, revitalized urban corridors, strengthened real estate submarkets, and served as a basis for foreign trade and investment. They continue to do so today. Evidence of this abounds in the cities and states who have adopted a policy of welcoming immigrants and the Welcoming Center study of commercial corridors in Philadelphia proves that it is happening here and now also. Our study also proves that some of the foreign – born entrepreneurs in these corridors are undocumented and that they pay taxes using an ITIN provided by IRS.

All of us in this room know that immigration policy is constitutionally a matter for the federal government. State and local communities are understandably frustrated with the effects of a broken immigration system but they cannot set national immigration policy. However, State and local political leaders can and should put pressure on our Congress to create the template for immigration reform that is comprehensive and workable once implemented.

Now, I know that the subject under discussion today is illegal immigration but I submit to you that it is impossible to discuss this subject intelligently without looking at it in the context of it's many complexities. The vast majority of us are law abiding citizens/residents and all of want a secure community in which to live and raise our families. The undocumented want this too. As we struggle to frame this debate we need to remember that it is not a criminal offense to enter the United States illegally and that being here illegally does not make one a criminal. The large majority of immigrants including the undocumented are honest, hard working people who are here for one reason only and that is to participate in the American dream of hard work leading to economic prosperity.

In the United States we are justly proud of our market driven economy that is creating 500,000 new jobs each year, many of them in the service industries. At the same time we have a declining birthrate providing ever fewer native – born workers and these workers are better educated than ever before and as such are not much interested in manual labor. Indeed, our unemployment rate is at an all time low. As we are creating jobs and our birth rate is slowing, our immigration laws supply only 65,000 visas per year for workers to fill these jobs. Of the 15 immigrant visa categories available for employment and training, only 2 are available to industries that require little or no formal training and these two categories (H2A and

H2B) are small and seasonal. In addition to the enormous mismatch between labor market realities and our immigration policies, our family visa lines are so backlogged that it can take a decade for spouses and children to be reunited legally. Historically the laws of supply and demand are like a force of nature. An Urban Institute study estimates that 80% of the undocumented immigrants are from Mexico and South and Central America. According to Stanford historian, David Kennedy “the income gap between the United States and Mexico is the largest between any two contiguous countries in the world”. That disparity produces massive demand in the United States and massive supply from Mexico, South and Central America.

Come with me for a moment to my home town –Ballybay – a small town located on the border between the Republic of Ireland and Northern Ireland. When I was growing up in the late 40’s, 50’s and 60’s there was a 25% unemployment rate among Catholic men for political reasons. In addition because these men were Catholics, their families continued to grow. Steady work was very hard to find and so the best of these men were forced to leave Ireland to find jobs so that they could send money home to feed their families. The men who made this difficult choice were the hard working, ethical and ambitious ones who were willing to brave discrimination and loneliness to provide for their wives and children. Even as a child, I could see the improvement in the lives of these families as the money came each week. Most of the undocumented immigrants in the United States today are the parents who are determined to make a better life for their children and they come here to work. Wouldn’t you do the same ?

The rules and regulations around immigration are complex and poorly understood. For example, your next witness Joey Vento was on a television talk show with me and when I asked him how he knew that the Spanish speaking customers who came to Genos for a steak sandwich were undocumented, he told me that since one had to speak English to become a citizen, if they did not speak English then, ipso facto they had to be undocumented. I was happy to be able to tell Mr. Vento that one could not even apply for citizenship until they had been in the United States as a Legal Permanent Resident for 3 to 5 years at a minimum.

Prior to 1968, there were relatively few undocumented immigrants in the United States because our immigration laws were among the most liberal in the world. In 1968, Congress placed a ceiling on immigration from the Western hemisphere for the first time in United States history. They added a labor certification requirement to independent migration which would have kept out most of our grandparents had it been in effect when they came in and they abolished the bracero program.. When people say that the undocumented should get in line to come here legally, they don’t know that for the unskilled or low skilled worker without close family in the States, the current immigration laws effectively ensure that there is no line to get into any more. The lowered quotas are now at levels which do not meet our current market realities. Realistic quotas would help enforcement because then it would be much easier to locate the alien who is here with criminal intentions.

Most of the discussion about the undocumented centers around the cost to the communities in which they live especially the cost to the school and health care systems. Rarely is it acknowledged that the undocumented pay real estate taxes, sales and other consumption taxes such as those on cigarettes, gasoline etc. like every other resident. As these taxes represent a significant percentage of the funding for public education, it is clear that the undocumented are paying their share for the education of their children. Even if this were not the case, is it not the mark of a civil society to educate the children in it’s midst?

The immigration debate is often framed as though there were a clear line between legal residents and “illegal aliens who come here to take our jobs.” The reality is far messier. According to a Pew Hispanic Center Study, 64% of the children of the undocumented are Americans by birth. There are those who advocate deporting the 11 million undocumented immigrants or worse still “starving them” by withholding jobs and as a consequence they will not be able to eat. What would be the cost to the economy of deporting 11 million workers and their families? It is not all about the economy, it is also about human rights and justice. Economic justice for this country’s poor and unskilled requires that we have

immigration policies that do not hurt the living standards of the poor unskilled Americans who no longer have the pathway to the middle class of manufacturing jobs in America's cities and that also protect the undocumented worker.

The Social Security Administration estimates that undocumented immigrants contribute between \$6 and \$7 billion in Social Security taxes that they will never be able to claim. According to Alan Greenspan in testimony to Congress in July 2001, the undocumented pay more in taxes than they receive in benefits (\$70.3 Billion to \$42.9 Billion).

We hear that "to-day's immigrants no longer want to participate in the American dream and acculturate to America's ways". Nothing could be further from the truth. To-days immigrants, both documented and undocumented, are learning English at a faster rate than ever before. The problem is that we do not have the resources to meet the demand. There is a brief transition period especially for those of the older generation but nevertheless, they too recognize the benefits of speaking and understanding the language of business and commerce in their new land.

"Immigrants come here to get our benefits" is another canard we hear on a regular basis. Nothing could be further from the truth. In fact, the undocumented are prohibited from receiving most forms of aid. And the culture of fear is such that even those who are entitled to some benefits (the documented) are often afraid to claim them.

Immigrants are considerably less likely to commit a crime. According to researcher Alex Tabarrok, immigrant crime rates are considerably *lower* than native crime rates. As he testified last year to the California legislature, "If natives had the same institutionalization rate as immigrants, our jails and prisons would have one-third fewer inmates." A recent U.S. Department of Labor study noted that the notion that immigrants take jobs away from American workers is "the most persistent fallacy about immigration in popular thought." The reality is that undocumented workers create jobs. The University of Illinois study found that as a result of the immense spending by undocumented workers (their purchasing power in Illinois alone is \$18.7 billion, according to Greenspan) and of the founding of small businesses by this group, they create jobs. In Chicago alone, undocumented workers generated 31,000 jobs in the local economy. We do not have studies on this magnitude on the economic impact of immigrants in Pennsylvania but the study done by the Welcoming Center on immigrant participation in Philadelphia's commercial corridors reaffirms the very positive impact of immigrants, both documented and undocumented on the economy of our city.

It is not all about money: Undocumented workers also bring to our society many things we claim to value, such as solid family structure. Studies show that children of immigrants are more likely to be raised in a two-parent household than are children of native-born Americans. This is true for both documented and undocumented immigrants.

The positive correlation between a city's overall population growth and its number of foreign born is best illustrated by the examples of Philadelphia and Detroit. Of the 10 major U.S. metropolitan areas, Philadelphia and Detroit were the only two cities to lose population in the 1990's. Philadelphia and Detroit were also the only two of the top ten metropolitan areas with populations of less than 10% foreign born. New York has 35% and Boston and Chicago 26%.

Philadelphia is one of only three of the 20 largest metropolitan areas to see a net loss of young, single college graduates (the others are Cleveland and Detroit); Overall, the State of Pennsylvania lost the most young graduates of any state. In addition, Pennsylvania has the second-oldest workforce in the United States (behind only Florida). If we believe that "demography is destiny" then these are sobering trends indeed. Instead of making Pennsylvania an unwelcoming and punitive place to be, we need to find ways to attract them.

Cities and States that attract immigrants see:

- More neighborhood revitalization
- Greater job growth
- A broadening tax base – an issue that Pennsylvania in general and Philadelphia in particular has struggled with
- An increased demand for goods and services
- A rise in real estate values
- Maintenance of population and demographic diversity
- And increase of foreign direct investment as exemplified by New York city, Boston , Chicago and the State of Iowa among others.

It is a fact that a steady influx of new customers, workers, and entrepreneurs can reinvigorate Pennsylvania's aging population, renew its neighborhoods, and re-energize our economy. By making Pennsylvania a magnet for immigrants, we will become a more vibrant, more creative, and more dynamic competitor in today's global economy.

The Welcoming Center was created to open the doors of economic opportunity for new arrivals and, by doing so, to enhance the economic development of our region. We are a centralized employment and referral center for the region's immigrant community. We promote immigrant participation in the area's political, social, and economic life. In doing so, we work closely with the many regional organizations that have a stake in immigration. These include government agencies, service providers, employers, business associations, trade unions, and economic development groups.

As policy makers for the State of Pennsylvania I respectfully that you take the following steps to deal with the issues of immigration, both legal and illegal :

- Increase funding to provide English as a Second Language classes to meet the current demand.
- Increase funding to strengthen existing regulatory bodies such as the Bureau of Labor Compliance which oversees enforcement of employment rights of low wage workers including minimum wage, overtime and wage payment laws.
- Enforce OSHA laws which already exist. This would effectively minimize the existence of sweatshops.
- Enforce tax withholding for all workers.
- These steps will make it harder for employers to engage in exploitation of any worker and will reduce exploitation as an incentive for employers to use undocumented workers.
- Recognize the importance of the role of immigrants in revitalizing our ageing cities and in developing the workforce which is the second oldest in the nation. Many immigrants possess the skills we need in the clusters of our priority jobs and they were educated, like I was, by another country's taxpayers. In addition they are frequently underemployed which is a big loss to our economy and our tax base. I strongly recommend that you look at policies adopted by other states such as the State of Illinois's New American Initiative, the Mayor's Office for New Bostonians and the State of Massachusetts policies on ESOL; State of Iowa's New American Centers to name but a few. I will be pleased to provide you with any information on these initiatives .

Thank you very much for the opportunity to talk to you and I will be glad to answer any questions you have.