



An innovative bill for immigration reform, House Bill “Creation of Work Status for Immigrants” –

Illegal immigrants who should benefit from the passage of this bill include workers with all skillsets. Current immigration law favors highly skilled workers, with the federal government granting visas and documentation to highly educated workers in high-growth fields. However, the market has proven that there is a clear need for lower-skill workers as well. The Federal Reserve Bank of Dallas cites a study which “shows that natives have a comparative advantage in communication-intensive work [and] immigrants in manual labor jobs.”<sup>1</sup> Expanding immigration law to encompass workers in low-skilled jobs can fix this market imperfection and supply labor to multiple industries.

A workforce with more diversity in skill has been shown to increase statewide productivity. Giovanni Peri found in a study that states “with larger-than-average inflows of immigrants” experience faster productivity growth because a diversity of skillsets enables workers and firms to specialize.<sup>2</sup> Those immigrants that are active participants in the labor market ultimately enhance the economic growth of Colorado. Therefore, removing the current barriers to entry for these w

increased the number of highly-skilled US-born women in the workforce.<sup>4</sup> Economists Patricia Cortés and José Tessada found that the specialization of low-skilled workers for the service sector revolving around household care has increased labor supply of highly-skilled women who, without immigrants, would be more likely to dedicate their time to home care.

HB18-

A new report from the Bureau of Labor Statistics reflects these smaller wages, citing that the “median usual weekly earnings of foreign-born full-time wage and salary workers were \$715 in 2016, compared with \$860 for their native-born counterparts.”<sup>8</sup> This disparity would likely be even more dramatic if foreign-born workers who are in the country legally were removed from this average. While this study does not control for the difference in skills between native and immigrant workers, the drastic disparity in wage between immigrants and native-born workers remains evidence of a possible failure in the competition within the market.

A frequent concern of native-born workers regarding immigration is the impact that illegal immigrants have on wage and unemployment for legal workers. In his analysis of the impact of Mariel Boatlift of 1980 on the Miami labor market, however, economist David Card illustrated that lower-wage native born workers are not disadvantaged by an increase in immigration. The Mariel Boatlift refers to an influx of Cuban immigrants into Miami in April of 1980 as a result of Fidel Castro opening up the port of Mariel.<sup>9</sup> Miami’s labor market was most impacted by this increase in emigration with its labor force increasing astronomically by 7%.

Card concluded that the influx of immigrants had “virtually no effect on the wages or unemployment rates of less-skilled workers.”<sup>10</sup> According to Card’s conclusion, Colorado can anticipate that lower-skilled workers will not be disadvantaged by the passage of HB18-1230. While other reputable economists like George Borjas and Giovanni Peri disagree with the result of this study,<sup>11</sup> HB18-1230 would remove the risk of native-born workers losing their jobs to illegal immigrants because of their being paid a lower wage. Without working under an illegal status,

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workers with purple cards will have to be paid the same amount as legal workers for doing the same job, removing risk to native-born workers.

To ensure that HB18-1230 does not protect illegal immigrants who do not actively contribute to the labor market, the bill should be amended to narrow down qualified persons. As the bill currently stands, HB18-1230 does not require illegal immigrants to prove their economic contribution to the state of Colorado beyond filing for taxes for two consecutive years. One possible way to ensure that the beneficiaries of the bill are active participants in the state's labor market is by amending the current bill to require applicants to have worked full-time two years in row.

Specifically, under this amendment, applicants should have worked for 35 hours a week, the absolute minimum number of hours that constitutes a full-time employee under the H-1B Visa Program.<sup>12</sup> While full-time employees work approximately 50 weeks out of the year, the barriers to entry may make obtaining 50 weeks of work more challenging for illegal immigrants. Therefore, a suggested amendment would specify that qualifying illegal immigrants will have worked 40 weeks at 35 hours per week, for a total of 1,400 hours annually. For these qualifying immigrants, their