

Principles for an **Immigration Policy** to
Strengthen & Expand
the American Middle Class

A Primer for Policymakers and Advocates

By Amy M. Traub

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EXECUTIVE SUMMARY

The debate over the future of immigration policy in this country is expected to become one of the most pressing policy conversations in the year ahead.

That debate can be a positive one that helps us to define our future as a nation or a negative one that draws upon fears and inaccuracies for the purpose of dividing people who should be united in the common cause of preserving access to the American Dream.

We argue that immigration policy must be connected to the larger conversation about America's squeezed middle class and those striving to attain a middle-class standard of living. Accordingly, the Drum Major Institute offers a lens through which to evaluate immigration policy that operates from the basic principle that immigration policy is sound only if it also helps to strengthen and expand America's middle class. Our litmus test for evaluating immigration policy or advocacy agendas by its impact on the middle class is two-fold:

1) **Immigration policy should bolster—not undermine—the critical contribution that immigrants make to our economy as workers, entrepreneurs, taxpayers and consumers, because:**

- On average, immigrants pay more in taxes each year than they use in government services, and these taxes fund programs like Social Security that strengthen and expand the middle class.
- The middle class relies on the goods and services that immigrants produce.
- By increasing consumer demand, immigrants generate economic growth that benefits the middle class: immigration is a major contributor to the expansion of Hispanic and Asian-American consumer markets—an estimated 12 percent of the nation's 2004 purchasing power.
- Immigrants also stimulate the economy by starting small businesses and attracting investment capital from their countries of origin.

Since the American middle class relies on the economic contributions of immigrants, a pro-middle-class immigration policy must not include mass deportation or aim to shut down future immigration.

2) **Immigration policy must strengthen the rights of immigrants in the workplace**

- Under current immigration law, immigrant workers compete with their U.S.-born counterparts on an uneven playing field—to the detriment of both groups.
- Because employers threaten undocumented immigrants with deportation, these workers cannot effectively assert their rights in the workplace by, for example, asking for raises, complaining about violations of wage and hour or workplace safety laws, or by supporting union organizing drives.
- As long as this cheaper and more compliant pool of immigrant labor is available, employers are all too willing to take advantage of the situation to keep their labor costs down and are less willing to hire U.S.-born workers if they demand better wages and working conditions.
- U.S.-born workers are left to either accept the same diminished wages and degraded working conditions as immigrants living under threat of deportation or to be shut out of whole industries where employers hire predominantly undocumented immigrants.

When immigrants lack rights in the workplace, labor standards are driven down, and all working people have less opportunity to enter or remain part of the middle class. So a pro-middle-class immigration policy must guarantee immigrants full labor rights and make sure that employers cannot use deportation as a coercive tool in the labor market.

On an issue as important as the future of immigrants in America, we cannot allow proposed legislative programs to drive the conversation. Instead, we must articulate core values that speak to the concerns of working Americans from San Diego, California, to Portland, Maine, and allow those principles to determine our legislative and advocacy strategies. DMI's "Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: A Primer for Policymakers and Advocates" is our contribution to this important conversation.

INTRODUCTION

The Drum Major Institute for Public Policy offers “Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: A Primer for Policymakers and Advocates” in response to inadequacies in the current conversation about immigration.

Immigration policy must be connected to the larger conversation about America’s squeezed middle class and those striving to attain a middle-class standard of living. We cannot craft an immigration policy that ignores the impact of immigration on the opportunity for all Americans to realize the American Dream. Too much of the current debate misses this point completely. We offer this primer as a step in building a new paradigm in which immigration policy also advances a sound economic agenda for this country’s current and aspiring middle class.

Good immigration policy should be good for every American. So we create a litmus test to evaluate immigration policy driven by the principles laid out in the paper. In the appendices, we evaluate the most prominent immigration bills currently before Congress according to this litmus test. At the same time, we suggest that our proposed framework, and the core principles it embodies, transcends commitment to any one piece of legislation. Its utility should be measured not just by how many votes a good bill gets on Capitol Hill, but in how it helps advocates and policymakers to enlarge the national conversation about immigration and immigrants’ role in our society.

With skyrocketing health care and education costs, the decline in unionization and guaranteed pensions, and a bankruptcy epidemic spiraling out of control, America’s middle class is no longer what it used to be. It is through the lens of this squeeze that we can best address the failure of current social and economic policy. This is in great part because most consider themselves to be middle class in this decidedly optimistic nation, so the middle-class frame is politically resonant and powerful for engaging regular Americans in a conversation about economic policy. That is why “Principles for an Immigration Policy to Strengthen and Expand the American Middle Class” attempts to connect the discussion of immigration to the larger conversation about America’s squeezed middle class.

Public policy created America’s middle class. From the GI bill, which allowed people to enter the middle class by putting a college education within reach, to Social Security benefits that today allow the middle class to retire with a modicum of financial well-being and dignity, the strength and size of America’s middle class can be traced to successful policies that enable people who work hard to realize the American Dream.

In the same way that education and tax policies are integral to the size and strength of our nation’s middle class, immigration policy is also critical. Our economy relies on the presence of immigrants: they provide a young labor force, a tax base for programs that benefit the vast majority of Americans, and many are entrepreneurs with businesses serving our neighborhoods. However, policies that drive undocumented workers into the shadows of the labor market and leave them vulnerable to exploitation threaten to undermine the gains of middle-class Americans and those working their way up to the middle class. When our policies create a two-tiered society that marginalizes the immigrants our economy relies on, the political and economic foundation of the American middle class is undermined.

The immigration agenda of the big business lobby—allowing more immigrants but consigning them to a subordinate position in the labor market—is understandably driven by what will bolster the corporate bottom line. Middle-class voters can be forgiven for being skeptical of the notion that what’s best for Wall Street will also be best for Main Street.

Similarly, since immigrant advocates speak for immigrants, it's reasonable to assume that they have a vested interest in claiming that their agenda—more immigration and more rights for immigrants—is also the right agenda for middle America, whether that is actually the case or not.

The voices in the debate that make the most direct claim to speaking for working and middle-class Americans are often those who favor the most restrictive immigration policies. They speak to middle-class economic anxieties—about competition for jobs, higher taxes, growing welfare rolls and more crime. Popular CNN Anchor Lou Dobbs, who includes a segment on the nation's "broken borders" on his show almost every evening, goes so far as to argue that "U.S. immigration policy is a tragic joke at the expense of hard-working middle-class Americans."¹ While we should reject the growing current of xenophobia that is fueling anti-immigrant sentiment, no one should dismiss out-of-hand the valid concerns of working and middle-class Americans. It is not inherently xenophobic to worry about earning a living that provides enough to take care of your family during a time of increased illegal immigration.

Yet while advocates of tighter immigration policies have tapped into real concerns of a broad, middle class constituency, their policy prescriptions are misguided because they fundamentally misunderstand the relationship between immigration and the middle class. They exaggerate the cost of public services for immigrants while underestimating the economic contribution that immigrants make. Furthermore, their view of labor market competition fails to take into account the possibility of cooperation to raise standards for immigrants and for U.S.-born Americans who are striving to work their way into the middle class alike.

This paper does not aim to provide a comprehensive blueprint for solving all of the challenges posed by immigration to the United States. In particular, the focus on strengthening and expanding the American middle class precludes us from incorporating goals—like family reunification—whose primary objective is one of basic fairness to immigrants themselves. This does not mean that fairness towards immigrants is an unimportant goal, only that we believe that a serious discussion about how to align immigration policy with an economic policy that benefits all working Americans is a needed contribution to the immigration debate in its own right.

This analysis of immigration policy also differs substantially from approaches that use control of our nation's borders as a starting point for understanding immigration policy. While effective border control is a necessary component of national security, it has little of value to say about the more than 10 million undocumented immigrants—or the 25 million legal residents and naturalized citizens—who already live in the U.S. and form an integral part of the U.S. economy. From the perspective of the middle class and aspiring middle class, the impact immigrants have on Americans' ability to attain and maintain a middle-class standard of living is more significant than whether they entered the country legally or not.

The Drum Major Institute for Public Policy offers a framework for evaluating immigration policy that centers on the interests of the American middle class and those who aspire to a middle-class standard of living. With it, we hope to contribute to a conversation about how progressives can return to the core of what unites us: the goal of preserving the American Dream.

¹ Lou Dobbs, "U.S. policy on immigration is a tragic joke," *The Arizona Republic*, August 28, 2005.

INTRODUCING THE MIDDLE CLASS AND THE MIDDLE-CLASS TEST

While the Census Bureau has no official definition of the “middle class,” conventionally it has come to represent the large swath of the American populace with incomes between approximately 200 percent of the federal poverty threshold and those of the nation’s top five percent income earners—roughly \$25,000 to \$100,000 a year.

But the middle class is more than an income bracket. A thriving middle class is important for the nation’s prosperity. Over the past fifty years, a middle-class standard of living in the United States has come to mean having the opportunity to own a home, access to health care, retirement security, opportunities to save for the future and the ability to provide a good education, including a college education, for one’s children. When these middle-class fundamentals are within the reach of most Americans, the nation is stronger economically, culturally and democratically. Most political scientists see a large middle class as crucial to political stability and to a healthy democracy. Nations that have a large middle class with a stake in society and enough respite from the day-to-day struggle for survival to engage with public and community affairs are more socially cohesive than those divided by great extremes of wealth and poverty.

Based on our analysis of how immigrants affect the American middle class, we developed a two-part test for evaluating an immigration agenda that drives legislation or advocacy:

- 1) **Immigration policy should bolster—not undermine—the critical contribution that immigrants make to our economy as workers, entrepreneurs, taxpayers and consumers.** Anti-immigrant policies are often premised on a flawed conception of the economy as a closed, zero-sum system—if an immigrant has a job, he must have taken a job away from an American. In fact, the economy is dynamic, and the presence of able-bodied, hard-working immigrants contributes to the growth of the economy and the creation of new jobs that wouldn’t exist if they weren’t here. They bring new tastes and cultures that spawn both the demand and the supply for new goods and services. Immigrants pay taxes at state, local and national levels. This paper draws on existing studies showing that immigrants pay substantially more in taxes than they consume in government services. In particular, the demographics of new immigrants and their families make immigration a powerful force shoring up the long-term viability of Social Security. Any immigration policy that stifles any of these positive contributions of immigrants hurts the middle class.
- 2) **Immigration policy must strengthen the rights of immigrants in the workplace.** Under current immigration law, immigrants compete with U.S.-born workers on an uneven playing field—to the detriment of both U.S.- and foreign-born workers. Because undocumented immigrants are under constant threat of deportation, they cannot effectively assert their rights in the workplace. Immigrants who do get involved in union organizing drives, ask for raises or complain about violations of wage and hour laws or workplace safety laws risk getting reported to immigration authorities by their employers and being deported. As long as a cheaper and more compliant pool of immigrant labor is available, employers are all too willing to take advantage of the situation to keep their labor costs down and are less willing to hire U.S.-born workers if they demand better wages and working conditions. So, U.S.-born workers are left to either accept the same diminished wages and degraded working conditions as immigrants living under threat of deportation or be shut out of whole industries where employers hire predominantly undocumented immigrants. The solution is to eliminate the second-class labor market in this two-tiered system and allow immigrants and U.S.-born workers to compete on an even playing field by guaranteeing immigrants—including undocumented workers—equal labor rights and making sure that employers cannot use deportation as a coercive tool in the labor market.

INTRODUCING IMMIGRANTS

As of 2004, 35.7 million U.S. residents were born in another country, according to estimates by the Pew Hispanic Center based on the Census Bureau's Current Population Survey.² The foreign-born make up about 12 percent of the total U.S. population. Seventy-one percent of these immigrants (25.4 million U.S. residents) entered the country legally, including 3 percent of immigrants who are temporary legal residents (students or temporary workers), 7 percent who are refugees, 30 percent who are legal permanent residents and 31 percent who are naturalized citizens. The remaining 29 percent of foreign-born residents of the United States are undocumented immigrants. The Pew Hispanic Center estimates that there were 10.3 million undocumented immigrants in the U.S. in 2004.³

More than half of the immigrants to the United States were born in Latin America, while a quarter were born in Asia and just over 13 percent came from Europe.⁴ About 6.5 percent of immigrants were born in other areas of the world, including Africa, Oceania and North America. Looking only at undocumented immigrants, a much larger percentage—81 percent—came from Latin America. This includes the 57 percent of undocumented immigrants (5.9 million people) who were born in Mexico. Meanwhile 9 percent of undocumented immigrants were born in Asia, 6 percent were born in Europe or Canada and 4 percent were born elsewhere.

MIDDLE CLASS TEST PART I: IMMIGRATION POLICY SHOULD BOLSTER—NOT UNDERMINE—THE CRITICAL CONTRIBUTION THAT IMMIGRANTS MAKE TO OUR ECONOMY AS WORKERS, ENTREPRENEURS, TAXPAYERS AND CONSUMERS.

The American middle class relies on the economic contributions of immigrants, including naturalized citizens, permanent residents and undocumented immigrants. The goods and services immigrants provide, the economic stimulus generated by immigrant consumers and the immigrant tax dollars that help to finance vital middle-class programs combine to make immigrants an integral part of the American economy. This means that the challenges immigration poses for the middle class cannot be answered simply by shutting down or restricting the flow of immigrants. The policy implications of this part of the test are thus very simple: any immigration policy that addresses the economic interests of the middle class and aspiring middle class should not include deporting undocumented immigrants en masse or reducing legal immigration.

In the simplest sense, the middle class relies on the goods and services immigrants produce. Immigrants work in every sector of the U.S. economy: they are doctors, salespeople, factory workers, teachers, farm laborers, business owners, construction workers and computer programmers. Undocumented immigrants are concentrated in agriculture, where they make up nearly half of the workforce, and to a lesser extent are clustered in the restaurant and construction industries. Undocumented immigrants pick the apples, grapes and oranges on middle-class tables and the lettuce, asparagus and mushrooms in middle-class refrigerators. Undocumented workers build the homes and office buildings of the middle class, process their poultry, prepare their meals and wash the dishes in the restaurants they frequent across the country. In this very direct sense, the American middle class relies on the labor of immigrants.

² Jeffrey S. Passel, "Estimates of the Size and Characteristics of the Undocumented Population," Pew Hispanic Center, (2005): p7, <http://pewhispanic.org/files/reports/44.pdf>.

³ Ibid.

⁴ U.S. Census Bureau, "Foreign-Born Population of the United States," Current Population Survey Annual Social and Economic Supplement (2004): Table 3.1. <http://www.census.gov/population/www/socdemo/foreign/ppl-176.html>

The middle class also benefits from the generalized economic growth immigrants stimulate. Immigrant consumers increase economic demand for the products and services produced by middle-class and aspiring middle-class workers. There is little research on the magnitude of immigrants' consumer demand, because businesses are more interested in marketing to consumers based on ethnicity than on immigration status. Nevertheless, researchers cite immigration as a significant contributor to the rapid growth of the Hispanic and Asian-American consumer markets, which together accounted for an estimated trillion dollars in buying power in 2004—or about 12 percent of the nation's total purchasing power.⁵

One rare study that did look specifically at immigrant consumers focused on their participation in the housing market, one of the most dynamic engines of the American economy in recent years. The Harvard University study found that between 1998 and 2001, immigrant homebuyers purchased eight percent of new homes and 11 percent of existing homes sold, making up 12 percent of first-time homebuyers in 2001.⁶ The study concludes that immigration is an important driver of demand in this vital sector of the economy.

In addition to their role as consumers, immigrants stimulate the economy by starting small businesses and by attracting investment capital from their countries of origin. Immigrants make up just over one in ten self-employed businesspeople in the United States, and some immigrant groups are significantly more likely to start small businesses than are U.S. natives.⁷ While aggregate data on the investment capital marshaled by immigrants is difficult to come by, individual examples abound. Asian immigrants in Silicon Valley leveraged millions of dollars in high technology capital from Taiwan and Japan in the late 1990s.⁸ Latin American immigrants in South Florida have helped to make the area a leader in attracting foreign direct investment, particularly international banking.⁹

In a fundamental sense, the middle class relies on immigrants' economic contributions because the policies that strengthen and expand the middle class are funded by the taxes immigrants pay. In 1997, the National Research Council and National Academy of Sciences completed the most comprehensive analysis ever of the economic impact of immigrants on the United States. The report concluded that immigrants are net fiscal contributors to the U.S. economy. The average immigrant pays \$1,800 more in taxes than she receives in government benefits. Over their lifetimes, this amounts to \$80,000 more in tax contributions than the average immigrant and her immediate descendants receive in local, state and federal benefits.¹⁰ These taxes support the schools and public universities that educate middle-class children, the unemployment benefits that help struggling American workers to get back on their feet and the Medicaid payments that help the poor stay healthy as they strive to work their way into the middle class. But nowhere is the tax contribution of immigrants more striking than in terms of Social Security.

The Social Security system is a mainstay of the middle class. In addition to providing guaranteed retirement income, Social Security provides disability insurance for people who become too injured to work and supplies survivor's benefits when a family's breadwinner dies. Analysts point out that by releasing working people from the necessity of being the sole economic support of their aging parents, Social Security enables people to invest in their children, giving them the leg up they need to do better than their parents' generation, realizing the promise of the American Dream. But the overall solvency of the Social Security system has become one of the nation's most controversial political issues.

⁵ Jeffrey M. Humphreys, "The Multicultural Economy 2004: America's Minority Buying Power", *Georgia Business and Economic Conditions* 64, n 3 (2004): p5-6, <http://www.selig.uga.edu/forecast/GBEC/GBEC043Q.pdf>.

⁶ Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2004", (2004): p10-13, <http://www.jchs.harvard.edu/publications/markets/son2004.pdf>.

⁷ William J. Haller, "Immigrant Entrepreneurship in Comparative Perspective: Rates, Human Capital Profiles, and Implications of Immigrant Self-Employment in Advanced Industrialized Societies", (2004). <http://www.lisproject.org/immigration/papers/haller.pdf>

⁸ The Santa Clara County Office of Human Relations Citizenship and Immigrant Services Program, "Bridging Borders In Silicon Valley, " (2000): p67-69. <http://www.immigrantinfo.org/borders/>

⁹ Saskia Sassen and Alejandro Portes, "Miami: A New Global City?" *Contemporary Sociology* 22 Issue 4, (1993) p471-477.

¹⁰ James P. Smith & Barry Edmonston, Editors, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*. Washington, DC: National Research Council, National Academy of Sciences Press, 1997, p349, p351.

The problem is that as the large baby-boom generation ages, there will be fewer working people paying into the system for each retiree drawing benefits. As a result, the Social Security Board of Trustees projects that the system will no longer be able to pay the full promised benefits in 2042. Immigrants help to provide a solution, because those entering the country are younger, on average, than the American population as a whole. The initial generation of immigrants also tends to have more children who will pay into the Social Security system for their entire working lives before withdrawing benefits. In this way, immigration slows the decline in the ratio of workers to retirees, shoring up the system's solvency. As a result of its higher levels of immigration, the United States does not face the severe crisis of an aging population confronted by Japan and Europe. An analysis of Social Security Administration data by the National Foundation for American Policy, a non-partisan policy organization, finds that at current immigration levels, new immigrants entering the United States will provide a net benefit of \$407 billion to the Social Security system over the next 50 years.¹¹ Immigration policy must recognize the significance of immigrants' tax contributions to programs like Social Security or it risks robbing the middle class of a crucial support program or increasing the fiscal burden on middle-income taxpayers. Based on Social Security Administration data, the National Foundation for American Policy projects that if legal immigration to the United States were reduced by one third, Social Security's actuarial deficit would increase by ten percent over fifty years. To make up for the shortfall, a middle class person making \$60,000 in 2004 would have to pay \$600 more in taxes over the next ten years if the program was maintained as it is currently set up.¹² More drastic restrictions on immigration would expand the deficit still further, meaning deeper cuts in Social Security benefits or still higher taxes to maintain the same benefits. A complete moratorium on legal immigration would cost our prototypical middle class American making \$60,000 in 2004 an additional \$1,860 in payroll taxes over the next ten years just to make up for the loss of immigrants' contributions.¹³

The examination of Social Security financing demonstrates one way the middle class would be harmed by an immigration policy that fails to recognize the critical role immigrants play in the U.S. economy. Because the middle class relies on immigrants, immigration policy that seeks to strengthen and expand the middle class must not include mass deportation or aim to shut down future immigration.

¹¹ Stuart Anderson, "The Contribution of Legal Immigration to the Social Security System", National Foundation for American Policy, (2005): p8, <http://www.nfap.net/researchactivities/studies/SocialSecurityStudy2005Revised.pdf>

¹² *Ibid*, p9.

¹³ *Ibid*, p8.

MIDDLE CLASS TEST PART II: IMMIGRATION POLICY MUST STRENGTHEN THE RIGHTS OF IMMIGRANTS IN THE WORKPLACE.

Strong labor rights are a cornerstone of the American middle class. The wage and hour laws and legal protections for working people that were won by labor unions during the dark days of the Great Depression helped to lift millions of American workers out of poverty and into the post-war American Dream of home ownership, secure retirement and college-bound children. Keeping those labor rights secure for every worker in the United States is key to the continued economic security of our middle class. But our current immigration laws create a two-tiered labor market in which many employers do not comply with labor laws. Ending this two-tiered system and making sure our labor laws are universally enforced is critical for the continued growth and prosperity of the middle class. To do this, we must reinforce the rights of immigrants in the workplace.

Under current immigration law, undocumented immigrants are at the mercy of their employers to the same degree that U.S.-born workers were before the labor victories of the 1930s. Technically, minimum wage and overtime laws and health and safety regulations extend to every worker in the U.S., regardless of immigration status.¹⁴ But in practice, undocumented immigrants face the threat of deportation if they try to exercise any of these rights. To a lesser extent, legal permanent residents and the holders of temporary work visas, like the H-1B, may also experience anxiety about their immigration status that restrains them from exercising full rights in the workplace. This creates a two-tiered system between workplaces that comply with labor laws and those that don't.

As long as a cheaper and more compliant pool of immigrant labor is available to employers who are willing to wield the threat of deportation against their workers, those same employers will be less willing to hire U.S.-born workers if they demand better wages and working conditions. Eliminating the second-class labor market in this two-tiered system, allowing foreign and U.S.-born workers to compete on an even playing field with equal labor rights and making sure that employers cannot use deportation as a coercive tool in the labor market would strengthen the existing middle class and give both immigrants and U.S.-born workers trying to join the middle class a leg up.

Shifting the debate about immigration among middle class Americans to focus on the impact of ineffective labor rights for immigrants on their jobs and wages will be challenging. The idea that immigrant workers undercut “native” American workers in the labor market is long-standing and pervasive. A recent Gallup survey found that about half of American adults believe that, rather than helping the U.S. economy, “immigrants mostly hurt the economy by driving wages down for many Americans.”¹⁵ Other polls suggest¹⁶ that voters from low- and middle-income households are more likely to express anti-immigrant attitudes than are wealthier voters. While we contend that the impulse to blame immigrants for our economic insecurity is misguided, the middle class and aspiring middle class are right to feel that they have lost economic ground. The Economic Policy Institute notes that between 1973 and 2002, median family income increased at only about one-third of the rate of economic productivity growth (22% versus 65%).¹⁷ In other words, even as the economy as a whole was growing, increasing

¹⁴ Other workplace rights of undocumented immigrants were thrown into question when the Supreme Court ruled in *Hoffman Plastic Compounds, Inc. v. NLRB* that an undocumented worker thrown out of work for union organizing could not receive back pay. For the distinction, see U.S. Department of Labor Wage and Hour Division, “Fact Sheet #48: Application of U.S. Labor Laws to Immigrant Workers: Effect of Hoffman Plastics decision on laws enforced by the Wage and Hour Division,” <http://www.dol.gov/esa/regs/compliance/whd/whdfs48.htm>.

¹⁵ David W. Moore, “Public Ambivalent About New Immigrants,” *The Gallup Poll* (July 7 2005), <http://poll.gallup.com/content/default.aspx?CI=17206>.

¹⁶ Westhill Partners, “Voters Divided on Immigration Reform,” *The Monthly Westhill Partners Hotline Poll* (February 2005), p2, http://diageohotlinepoll.com/WHP_Hotline2_exec_summary_3-2-05_Recent.pdf.

¹⁷ Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto, *The State of Working America 2004/2005* (New York: Economic Policy Institute and Cornell University Press) 2005 http://www.epinet.org/content.cfm/books_swa2004_main#exec

inequality meant that low-income and middle-class families got fewer of the benefits from that growth. There is evidence (discussed below) suggesting that immigrant workers played a role in this growing inequality and will continue to undermine the ability of middle-class and aspiring middle-class workers to get a good deal in the American labor market if current policies continue. The solution is to bolster the rights of immigrants in the workplace, reducing immigrants' vulnerability to exploitation and enabling them to demand a deal in the labor market that doesn't undercut the aspiring middle class.

For the most part, economists have focused on how increased numbers of immigrants affect the U.S. labor market, regardless of the extent to which these immigrants can exercise full rights in the workplace. In a recent survey of immigration's effects on the wages of native-born Americans, the non-partisan Congressional Budget Office concluded that "the ultimate impact on wages is difficult to quantify [due to] uncertainty surrounding what employers and native workers would have done if those foreign-born workers had not been present."¹⁸ Some economists argue that immigrant workers have had little effect on the wages and employment prospects of natives in the U.S.,¹⁹ while others, using various statistical models and analyses of empirical data, argue that the presence of immigrants has a significant detrimental effect, particularly on unskilled workers.²⁰

On the most basic level, the question looks like one of supply and demand: basic economics suggests that if the supply of anything, including labor, increases significantly, the price buyers are willing to pay—in this case the amount employers will spend on wages, benefits or improved working conditions—will go down. The result is that those working people whose skills are similar to those of the new immigrant workers get a worse deal in the labor market. While no reputable economist disputes this fundamental principle of supply and demand, some suggest that the way it operates in practice in American labor markets is far more complex. As discussed in Middle-Class Test Part I, immigration does not just increase the supply of labor. It also boosts demand as immigrants purchase consumer goods, start small businesses and attract investment capital from their home countries.²¹ These benefits help to balance the labor-cheapening effects that the theory predicts immigration to have.

But the vulnerability of undocumented immigrants in the workplace compounds the impact that the sheer numbers of immigrant workers might have on the middle class. An estimated 6.3 million undocumented workers²² live and work in fear that they will be deported back to their countries of origin. This gives employers tremendous power to deny these workers basic labor rights, as discussed above.

The disempowered status of undocumented immigrant workers harms both the middle class and the aspiring middle class in the labor market. In some cases, U.S.-born workers are effectively shut out of whole industries in which employers hire predominantly undocumented immigrants and labor standards are uniformly below legal minimums. These tend to be jobs that would pay at or just above minimum standards if undocumented immigrants were not available and that would be filled by U.S.-born workers struggling to enter the middle class. In other cases, in industries that are heavily unionized and that provide middle-class wages and benefits, competition from employers who hire undocumented immigrants puts downward pressure on the wages and working conditions of middle-class workers whose employers are put at a disadvantage by complying with the law. This phenomenon of downward pressure on wages and working conditions is sometimes called "the race to the bottom."

¹⁸ Congressional Budget Office, "The Role of Immigrants in the U.S. Labor Market", (November 2005) p 2. <http://www.cbo.gov/ftpdocs/68xx/doc6853/11-10-Immigration.pdf>

¹⁹ For example, see: Robert J. LaLonde and Robert H. Topel, "Immigrants in the American Labor Market: Quality, Assimilation and Distributional Effects," *American Economic Review* 81 no. 2 (1991); Kristin F. Butcher and David Card, "Immigration and Wages: Evidence from the 1980s", *American Economic Review* 81 no. 2 (1991); Stanley L. Engerman and Ronald W. Jones, "International Labor Flows and National Wages", *American Economic Review* 87 no.2 (1997).

²⁰ See: Hannes Johannsson and Stephan Weiler, "Local Labor Market Adjustment to Immigration," *Growth and Change* 35, no. 1 (2004) p 61–76; George J. Borjas, Richard B. Freeman, and Lawrence Katz, "Searching for the Effect of Immigration on the Labor Market", *American Economic Review* 86 (1996) p246–251; Michael F. Williams, "Economic Impacts of Increased Mexico-U.S. Labor Mobility", *International Trade Journal* 17 (2005); Williams: 2005.

²¹ Gregory DeFreitas, "Immigration, Inequality, and Policy Alternatives", Russell Sage Foundation (1995); Richard Vedder, Lowell Gallaway and Stephen Moore, *Immigration and Unemployment: New Evidence*, Alexs de Tocqueville Institution (2004).

²² Jeffrey S. Passel, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center (2005) <http://pewhispanic.org/files/reports/46.pdf>.

JUSTIFYING PART II: THREE ARGUMENTS AGAINST THE RACE TO THE BOTTOM AND WHY THEY'RE WRONG

There are three major arguments against our contention that the disempowered status of undocumented immigrants contributes to a race to the bottom in middle-class wages and working conditions. We'll look at, and refute, each of them in turn. The first argument against the race to the bottom holds that immigrants only take jobs American workers would not be interested in anyway. This argument ignores the role that labor rights—especially the right to organize a union and bargain collectively—played and continue to play in transforming whole industries where jobs were once undesirable into pillars of middle-class life for millions of Americans and their families. Dirty and ill-paid jobs in steel mills became “good jobs” once unions negotiated for high wages and good working conditions. Similarly, the dishwashing jobs that are presumed to be wanted only by economically-disempowered, undocumented immigrants are desirable to a wider range of workers when they are decently-paid positions with benefits at unionized restaurants in New York and Las Vegas hotels. As Dean Baker of the Center for Economic and Policy Research puts it:

There are no jobs that U.S. citizens do not want. There would be huge numbers of U.S. citizens willing to work as farm workers, custodians, restaurant kitchen staff, or other jobs frequently held by immigrants, if these jobs paid \$60,000 a year and provided benefits. The reason that U.S. citizens do not want these jobs is because the pay is low. Instead of paying higher wages, employers find it much easier to bring in foreign workers from developing countries who find these jobs very attractive relative to the options available in their own countries.²³

In other words, undocumented workers without effective labor rights aren't just filling positions U.S. citizens don't want—their powerless status enables employers to keep certain jobs so undesirable that only they will accept them. On the other hand, if undocumented immigrants themselves were empowered to exercise full rights in the workplace, their efforts to improve their own working conditions would enhance the quality of these jobs.

The second argument that could be made against our position that the disempowered status of undocumented immigrants is a factor in the race to the bottom for the middle class is the claim that low wages in certain jobs and industries are explainable entirely by market forces of supply and demand. This contention is predicated on the belief that there is no systematic exploitation of immigrant workers and employers do not routinely take advantage of their employees' precarious status in the country to violate their labor rights. Substantial empirical evidence of widespread abuse of undocumented workers shows this argument to be false.

For example, one study examined workers in a variety of occupations whose employers learned from the Social Security Administration that their documentation was false and they were working in the country without authorization. Many of the workers surveyed reported that their employers' didn't fire them when they discovered their unauthorized status, but instead they continued to employ them while cutting their benefits or wages. Twenty-five percent of the workers said that they weren't fired until they complained about worksite conditions. Another 21 percent said their employers used their unauthorized status to fire them in retaliation for trying to organize a union.²⁴

Similarly, a 2004 study of day laborers in the Washington D.C. metro area found that more than half had at least one experience of not being paid for their work, and while nearly all reported doing dangerous jobs exposing them to chemical waste or other hazards, 81 percent said they had not received any type of job safety training.

²³ Dean Baker, “Economic Reporting Review,” Center for Economic and Policy Research (August 29, 2005) http://www.cepr.net/err/2005_08_29.htm.

²⁴ Chirag Mehta, Nik Theodore, and Marielena Hincapié, “Social Security Administration's No-Match Letter Program: Implications for Immigration Enforcement and Workers' Rights”, Center for Urban Economic Development, University of Illinois at Chicago (2003).

More than half did not receive safety equipment like gloves, boots or masks that could prevent injury.²⁵ While not all of the day laborers in the study were undocumented, principal researcher Abel Valenzuela told the Washington Post, “The employers assume they’re undocumented. They assume they’re afraid to report the crime.”²⁶

The effects of this disempowerment have also been documented on a larger scale. Analyzing the wages of thousands of Mexican immigrants who were undocumented workers but later attained legal permanent residence under the Immigration Reform and Control Act of 1986, economist Francisco Rivera-Batiz found that even after controlling for factors like education, English proficiency and time of residence in the United States, both male and female workers earned significantly more money once they had legal working status.²⁷ This suggests that when formerly undocumented immigrant workers are granted enforceable legal rights, the wages they are able to earn no longer undercut to the same extent others working their way into the middle class.

A third objection to our account of a middle-class race to the bottom spurred by the disempowerment of undocumented workers stems from the fact that it is difficult to measure the concrete impact of disempowerment in the workplace on the middle class and aspiring middle class. In other words, even if the preceding arguments about immigrant disempowerment sound convincing, how do we know the middle class is really being affected? With economists sharply divided over whether the mere presence of immigrant workers raises unemployment or drives down wages, no attempt to quantify the effect of workplace disempowerment on the labor market as a whole is likely to attain consensus. However, there are some cases where the effects of this disempowerment on the middle class and aspiring middle class are clearly visible. One of these is the attempt to organize a union.

Unions have historically enabled working people to attain a middle-class standard of living, and they continue to do so. By virtually any measure, union workers get a better deal in the workplace. Union workers take home \$169 more every week than non-union employees do.²⁸ In the private sector, union members are 35 percent more likely to have health care benefits, and at the median, they pay only half of the insurance premiums shelled out by their non-union counterparts. Union members are also 57 percent more likely to have an employer-sponsored retirement plan and have more opportunities to accrue paid vacation days and holidays than do non-union employees.²⁹ In short, union jobs provide good wages, health benefits and retirement security—they offer a middle-class standard of living.

Yet in recent years, businesses have more vigorously resisted their employees’ attempts to form unions. A review of National Labor Relations Board reports by Human Rights Watch documents a dramatic increase each decade since the 1950s in illegal reprisals against workers exercising their right to organize. As Human Rights Watch noted, “Many workers who try to form and join trade unions to bargain with their employers are spied on, harassed, pressured, threatened, suspended, fired, deported or otherwise victimized in reprisal for their exercise of the right to freedom of association... In the United States, labor law enforcement efforts often fail to deter unlawful conduct. When the law is applied, enervating delays and weak remedies invite continued violations.”³⁰ A study by Cornell University Labor Relations professor Kate Bronfenbrenner found that when workers try to organize a union, more than half of employers threaten to close down their facility, and one in four companies illegally fires workers for union activity.

²⁵ Abel Valenzuela Jr., Ana Luz Gonzalez, Nik Theodore, and Edwin Melendez, “In Pursuit of the American Dream: Day Labor in the Greater Washington D.C. Region,” Center for the Study of Urban Poverty, University of California, Los Angeles (2005). http://www.sscnet.ucla.edu/issr/csup/uploaded_files/DC_Day_Labor_Study.pdf

²⁶ Mary Beth Sheridan, “Pay Abuses Common for Day Laborers, Study Finds”, Washington Post, June 23, 2005. <http://www.washingtonpost.com/wp-dyn/content/article/2005/06/22/AR2005062202087.html>

²⁷ Francisco L. Rivera-Batiz, “Undocumented Workers in the Labor Market: An Analysis of the Earning of Legal and Illegal Mexican Immigrants in the United States,” *Journal of Popular Economics* 12 (1999).

²⁸ Bureau of Labor Statistics, “Union Members in 2004,” United States Department of Labor News (January 2005). <http://www.bls.gov/news.release/pdf/union2.pdf>

²⁹ Bureau of Labor Statistics, “National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2005” (August 2005). <http://www.bls.gov/ncs/eps/sp/ebms0003.pdf>

³⁰ Human Rights Watch, *Unfair Advantage: Workers’ Freedom of Association in the United States under International Human Rights Standards*, Washington, D.C. (2000) www.hrw.org/reports/2000/uslabor/

In the atmosphere of threats and pressures that is commonplace when employees try to unionize, undocumented workers' fear of deportation adds another dimension of intimidation. When undocumented workers are present in an organizing campaign, Bronfenbrenner's study finds that the majority of companies threaten to report them to the immigration authorities.³¹ This added barrier to unionization hurts not only the undocumented immigrants themselves but also the U.S.-born workers who are denied the benefits of a union if the organizing drive fails.

Americans feel the negative effects of the two-tiered labor market beyond their workplaces as well. The marginalized status of immigrants often manifests itself in our communities in the form of "quality of life issues"—overcrowded housing conditions, deteriorating buildings and day laborers lingering on street corners. The backlash response to these problems often involves calls for increased immigration enforcement; but simply removing immigrants would be both impractical and harmful to the middle class, for reasons discussed in Middle-Class Test Part I. On the other hand, enforcing labor rights for immigrants could solve many of these problems. With higher wages, immigrant workers could afford less crowded housing. And if the workers who are now hired as day laborers and paid off the books were instead given regular employment status to do the work they're already doing, they wouldn't be crowding on street corners.

The American middle class suffers as a result of the two-tiered labor market that is created by our current immigration laws. While we cannot quantify the precise impact on wages or employment, plentiful evidence exists to support our assertion that employers exploit the threat of deportation to deny undocumented immigrants their basic labor rights. On a large scale, this phenomenon puts downward pressure on wages and working conditions across whole industries and makes unionization more difficult for legal U.S. residents. Claims by some that undocumented immigrants only take jobs that are undesirable for other workers misrepresent the incentives in play. The jobs in question are only undesirable for legal residents because they offer low pay and bad working conditions, and undocumented immigrants' willingness to accept miserable pay and dangerous conditions hinges on their lack of enforceable labor rights. Similarly, immigrants only live in overcrowded housing and solicit work on street corners because their disempowered status in the labor market has pushed them to the margins. In order for our immigration policies to promote the security and expansion of the American middle class, they must be reformed to provide equal protection of labor rights for documented and undocumented workers alike.

³¹ Kate Bronfenbrenner, "Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages, and Union Organizing." U.S. Trade Deficit Review Commission, Washington DC (2000) http://www.citizenstrade.org/pdf/nafta_uneasy_terrain.pdf

CONCLUSION

An immigration policy that serves the fundamental interests of middle-class Americans must take two realities into account: immigrants' economic contributions make them indispensable to our nation's middle class, and, at the same time, a lack of effective rights in the workplace for undocumented immigrants undermines the ability of all working people in America to secure and maintain jobs that provide a middle-class standard of living. We submit that immigration reform can successfully address both of these realities if it maintains the flow of legal immigrants, enables undocumented immigrants to continue living and working in the United States and also ensures that all immigrants are able to exercise full rights in the workplace, empowering them to demand working conditions that don't undercut the U.S. citizens with whom they share a labor market.

Within these broad parameters, a wide range of policies is possible. A broad immigrant amnesty would bring undocumented immigrants into the mainstream of American economic and political life. A guest-worker program, as outlined by President Bush, could also pass the middle-class test if sufficiently strong protections for labor rights were built in. Doing so would require not only the recognition of these rights in law, which already exists to some extent, but also policies that enable guest workers to exercise these rights in their daily working lives. This would require, at minimum, laws ensuring that guest workers do not have their legal immigration status tied to any particular employer.

What's clear is that the status quo does not serve the interests of the American middle class. We hope that the principles developed in this paper will prove valuable for policymakers as they seek to evaluate how immigration policy proposals will impact their constituents and to shape messages about immigration policy that will resonate with voters' real concerns, while avoiding playing to common misperceptions that distort the current immigration debate.

APPENDIX I**A LEGISLATIVE ANALYSIS OF:****COMPREHENSIVE ENFORCEMENT & IMMIGRATION REFORM ACT****S. 1438 sponsored by Senators John Cornyn (R-TX) & Jon Kyl (R-AZ)**

The Drum Major Institute for Public Policy (DMI) offers a framework for evaluating immigration policy that centers on a two-part “middle-class test.” Part One requires that: immigration policy should bolster—not undermine—the critical contribution that immigrants make to our economy as workers, entrepreneurs, taxpayers and consumers. Part Two holds that: immigration policy must strengthen the rights of immigrants in the workplace. To the extent that a proposed policy fulfills both parts of the test, we argue that it will help to strengthen and expand the American middle class, enhancing opportunities for all Americans to realize the American Dream. We assign legislation a letter grade based on how well it matches up to each of these objectives.

A complete explanation of the framework and rationale for each part of the test is fully laid out in “Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: A Primer for Policymakers and Advocates,” available at www.drummymajorinstitute.org.

DESCRIPTION: The Comprehensive Enforcement & Immigration Reform Act would dramatically increase immigration enforcement, including hiring 10,000 new Border Patrol Agents, increasing the capacity of immigrant detention facilities, boosting numbers of inspectors and immigration judges and stiffening penalties for undocumented immigrants and their employers. The bill would also establish a temporary worker program. After advertising job openings to U.S. workers, employers could offer them to temporary visa holders. Immigrants who apply for the visas must show that they have a job waiting in the U.S., pay a fee and pass medical and security checks. Visa-holders could work in the U.S. for two years, after which they would have to return to their home countries for a year before having the opportunity to renew their visas for another two years. A separate program for undocumented immigrants currently working without authorization in the U.S. would make them eligible to remain and work for a maximum of five years under a new Deferred Mandatory Departure status, but they would be subject to escalating fines for refusing to depart the country immediately.

MIDDLE-CLASS TEST PART ONE:**IMMIGRATION POLICY SHOULD BOLSTER—NOT UNDERMINE—THE CRITICAL CONTRIBUTION THAT IMMIGRANTS MAKE TO OUR ECONOMY AS WORKERS, ENTREPRENEURS, TAXPAYERS AND CONSUMERS.****Grade: C**

The American middle class relies on the economic contributions of immigrants. The Comprehensive Enforcement & Immigration Reform Act would enable immigrants to continue contributing to the U.S. to some extent through its temporary worker visa programs, but the frequent shuttling back and forth that the bill requires would hinder immigrant workers from developing strong economic ties to the United States or advancing economically. The fact that the bill does not provide any mechanism for immigrants to attain permanent legal status also inhibits immigrants from creating lasting and evolving economic ties to the country, limiting the contributions they can make to the economy and to the middle-class well-being.

MIDDLE-CLASS TEST PART TWO:**IMMIGRATION POLICY MUST STRENGTHEN THE RIGHTS OF IMMIGRANTS IN THE WORKPLACE.****Grade: D –**

When immigrants lack rights in the workplace, labor standards are driven down, and all working people have less opportunity to enter or remain part of the middle class. This bill would do very little to strengthen workplace rights for immigrants and a great deal to undermine them. On the plus side, those immigrant workers who participate in the temporary visa program would have legal status in the country, and their working conditions would thus be more open to enforcement of U.S. wage and hour laws, workplace safety standards and other labor regulations. By moving workers and workplaces out of the shadows, immigrants’ rights in the workplace could be enhanced to some degree.

However, this benefit is far outweighed by provisions that would put excessive power into the hands of employers, undermining the rights of immigrant workers and thus the strength of the American middle class. The two-year duration of the visas, coupled with the requirement that temporary workers return to their own countries for a year before returning to the U.S., dramatically reduces incentives for immigrants to improve their working conditions. Combined with the lack of opportunities for temporary workers to attain permanent status, it creates a program in which interchangeable workers shuttle in and out of the country with little opportunity to establish themselves economically or to advance in the workplace.

The effect is compounded by provisions that allow temporary workers to accept jobs only with employers authorized to participate in the program, limiting workers' options and giving them less leverage to negotiate better working conditions. This dependence on a limited number of employers and the resulting vulnerability would be further exacerbated by provisions requiring temporary workers to leave the country if they are unemployed for 30 days. Finally, the bill would allow the Department of Homeland Security to require that temporary workers waive their rights to appeal their immigration status, perpetuating the fear and powerlessness that prevent immigrants from exercising workplace rights. For these reasons and others, the Comprehensive Enforcement & Immigration Reform Act would institutionalize a permanently subordinate position for immigrant workers, one that would be all the more iron-clad because of its legal standing. For the reasons discussed extensively in "Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: A Primer for Policymakers and Advocates," this would have a negative impact on middle-class American workplace conditions and living standards.

APPENDIX II

A LEGISLATIVE ANALYSIS OF:

SECURE AMERICA & ORDERLY IMMIGRATION ACT OF 2005

S. 1033 sponsored by Senators John McCain (R-AZ) & Edward Kennedy (D-MA)

H.R. 2330 sponsored by Representatives Jim Kolbe (R-AZ), Jeff Flake (R-AZ) & Luis Gutierrez (D-IL)

The Drum Major Institute for Public Policy (DMI) offers a framework for evaluating immigration policy that centers on a two-part "middle-class test." Part One requires that: immigration policy should bolster—not undermine—the critical contribution that immigrants make to our economy as workers, entrepreneurs, taxpayers and consumers. Part Two holds that: immigration policy must strengthen the rights of immigrants in the workplace. To the extent that a proposed policy fulfills both parts of the test, we argue that it will help to strengthen and expand the American middle class, enhancing opportunities for all Americans to realize the American Dream. We assign legislation a letter grade based on how well it matches up to each of these objectives.

A complete explanation of the framework and rationale for each part of the test is fully laid out in "Principles for an Immigration Policy to Strengthen and Expand the American Middle Class: A Primer for Policymakers and Advocates," available at www.drummajorinstitute.org.

DESCRIPTION: The Secure America & Orderly Immigration Act is a comprehensive immigration reform bill that sets up a temporary work visa program. After posting jobs in the US Jobs Bank and finding no qualified U.S. worker who is interested, employers could offer jobs to those with temporary immigration visas. Temporary visas would be available both to foreign residents with an interest in working in the U.S. and to undocumented immigrants already working in the U.S. without authorization (who must pay an extra fine in order to participate). Immigrants who apply for the visas must show that they have a job waiting in the U.S., pay a fee and pass medical and security checks. Visa-holders are eligible to work in the U.S. for a total stay of six years. After that, they must either return home or apply for permanent residency. The bill also includes new border security initiatives, measures to reduce the backlog in green card applications and facilitate family reunification, new resources for hospitals and local governments to deal with immigrants and the formation of an electronic work authorization system.

**MIDDLE-CLASS TEST PART ONE:
IMMIGRATION POLICY SHOULD BOLSTER—NOT UNDERMINE—
THE CRITICAL CONTRIBUTION THAT IMMIGRANTS MAKE TO OUR ECONOMY
AS WORKERS, ENTREPRENEURS, TAXPAYERS AND CONSUMERS.**

Grade: A

The American middle class relies on the economic contributions of immigrants. The Secure America & Orderly Immigration Act would enable immigrants to continue contributing to the U.S. through its temporary worker visa programs. The number of temporary visas available would be flexible, allowing numbers of new temporary workers to increase or decrease, according to economic conditions. Temporary workers who have formed strong ties to the United States, including economic ties, would have the opportunity to apply for permanent residency. The bill also bolsters immigrants' economic contribution by requiring formerly undocumented workers to pay any back taxes owed in order to qualify for permanent status.

**MIDDLE-CLASS TEST PART TWO:
IMMIGRATION POLICY MUST STRENGTHEN THE
RIGHTS OF IMMIGRANTS IN THE WORKPLACE.**

Grade: C

When immigrants lack rights in the workplace, labor standards are driven down, and all working people have less opportunity to enter or remain part of the middle class. The Secure America & Orderly Immigration Act contains some measures to reinforce the workplace rights of immigrants, but as the bill is currently written, these safeguards do not go far enough. The bill would enhance the labor rights of current undocumented immigrants by enabling them to attain at least temporary legal status, meaning they would no longer have to be afraid that exercising their rights at work or demanding improved wages and working conditions would lead to immediate deportation. The bill guarantees temporary immigrant workers the same workplace rights as U.S. workers and, by bringing their employment out into the open, helps to ensure that these workplace regulations, like minimum wage laws, safety standards and the right to organize a union, will be more consistently and effectively enforced. The bill would make it illegal to treat temporary immigrant workers as independent contractors, would ban hiring them to break strikes and would regulate the practice of recruiting workers abroad. It's significant that the new temporary visas would not bind immigrants to any one job, so that immigrant workers could leave an employer to seek a better opportunity elsewhere. These protections would make the workplace rights of currently undocumented immigrant workers stronger than they are today.

The workplace rights provisions are a good start, but they still leave immigrant workers vulnerable to exploitation in ways that could significantly undermine their rights and thus threaten middle-class wages and working conditions for all workers. Immigrants are particularly susceptible to exploitation under this bill at key points in their U.S. work experience: when they are first being recruited to work in the United States and must compete with other workers for a limited number of visas; when they fear losing their jobs because it means losing legal status in the country after a period of unemployment; and when they are asking an employer to sponsor them for early green card eligibility. The opportunities for employers to exert excessive power over immigrant employees at these junctures has the potential to shape immigrants' entire U.S. work experience, rendering them unable to exercise their rights effectively and to advance in the workplace.

In addition, stronger mechanisms for enforcing all the bill's labor protections are needed, because the bill's weak administrative process carried out at the discretion of the already overburdened Department of Labor risks being insufficient to genuinely deter violations. Creating a more robust enforcement system and closing the loopholes that render temporary immigrant workers vulnerable to exploitation at key junctures would enable this bill to genuinely strengthen immigrants' rights in the workplace, representing a gain for every American who is, or aspires to be, middle class.

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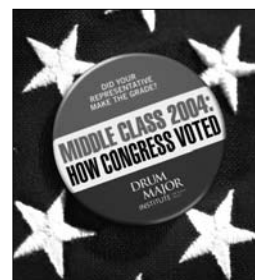
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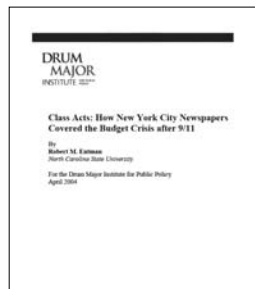
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Originally called the Drum Major Foundation, DMI was founded by Harry Wachtel, lawyer and advisor to Rev. Dr. Martin Luther King, Jr. during the turbulent years of the civil rights movement. DMI was relaunched in 1999 by New York attorney William Wachtel, Harry's son, Martin Luther King III and Ambassador Andrew Young.

From releasing nationally recognized studies of our increasingly fragile middle class, the relationship between schools and communities and the impact of changing demographics on politics to launching an exciting and frequently-visited Web site that serves as a source of ideas and argument, DMI has demonstrated the strength of its mission and strategy.

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