OCTOBER 2019

ANSWERING AMERICA

QUESTION 1: IS AMERICA FULL?

THE BUSINESS CASE AGAINST TRUMP’S AGENDA

BUSINESS FORWARD FOUNDATION
QUESTION 1: IS AMERICA FULL?

ANSWER: NO.

MOST COMMUNITIES ARE SHRINKING. WE’RE GETTING OLDER. WE NEED IMMIGRANTS.
The U.S. has plenty of land, water, food, and energy.

America’s problem is fewer babies, fewer workers, and migration from small towns to big cities.

Restrictive immigration policies, like those proposed by Trump, are bad for business, property values, pensions, and Social Security — and it is particularly bad in the Midwest.

Over ten years, restrictive immigration policies could cost $1.5 trillion in economic growth and 15.3 million jobs.

Countries currently on the track Trump recommends are struggling, but U.S. cities that welcome immigrants are succeeding.

Our country is full. Our area is full. The sector is full... Can’t take you anymore. I’m sorry, turn around, that’s the way it is.¹

- President Donald Trump
The U.S. has plenty of land, water, food, and energy for millions of new Americans

### Farmable Land & Freshwater

<table>
<thead>
<tr>
<th></th>
<th>People per Square Mile of Farmable Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>517</td>
</tr>
<tr>
<td>China</td>
<td>2,946</td>
</tr>
</tbody>
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6x more farmable land per capita than China

<table>
<thead>
<tr>
<th></th>
<th>Renewable Internal Freshwater, Per Capita, in Thousands of Cubic Meters</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>8.8</td>
</tr>
<tr>
<td>China</td>
<td>2.1</td>
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</table>

4x more freshwater per capita than China

### Population Density

In 2018, the UN reported that the U.S. had seven times fewer people per square mile than the UK and four times fewer than China.

<table>
<thead>
<tr>
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<th>People per Square Mile</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>93</td>
</tr>
<tr>
<td>U.K.</td>
<td>713</td>
</tr>
<tr>
<td>China</td>
<td>390</td>
</tr>
</tbody>
</table>

### U.S. Food Production

The U.S. exported $140 billion in agricultural products per year.

### U.S. Energy Production

- **Production**: 96
- **Exports**: 21
- **Net Imports**: 4
OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

AMERICANS ARE HAVING FEWER KIDS

U.S. fertility is at a record low. To maintain our population, each woman must have 2.1 children on average; today, they are having 1.8. Without immigration, the U.S. population will shrink. Economists predict our birth rate could fall to 1.5 or 1.4 children per woman.7

AND THEY ARE MOVING TO LARGE CITIES

“Superstar” cities such as New York City, Los Angeles, and San Francisco have attracted highly skilled workers to knowledge industries.

BY 2035, SENIORS WILL OUTNUMBER MINORS IN THE U.S.

The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.10

U.S. FERTILITY RATE

80% of American counties had fewer working-age adults in 2017 than they did in 2007.8

These counties represent 149 million Americans or 46% of our population.9

U.S. POPULATION AGED 0-17 & AGED 65+

By 2035, seniors will outnumber minors in the U.S.

POPULATION AGED 65+  POPULATION AGED 0-17
SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

DECLINING LABOR FORCE PARTICIPATION = LESS ECONOMIC GROWTH

In 2018, the Congressional Budget Office reported that the labor force participation rate would decrease over the next ten years as a result of baby boomers aging into retirement.

HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE

Persistently low U.S. labor force participation will likely be a drag on the economy for at least the next decade... Given this trend, S&P Global Ratings has lowered its estimate for long-term growth in the world’s biggest economy to just 1.8% — a full percentage point below the roughly 2.8% we expected for potential growth just 10 years ago.13

- BETH ANN BOVINO S&P GLOBAL

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DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.12

NUMBER OF WORKERS SUPPORTING EACH SOCIAL SECURITY RETIREE

THE SOCIAL SECURITY TRUST FUND WILL RUN OUT OF MONEY BY 2033.

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MIDWEST STATES ARE AGING FASTER

MEDIAN AGE RANKINGS

UTAH  ALASKA  TEXAS  NORTH DAKOTA  IDAHO  CALIFORNIA  NEBRASKA  OKLAHOMA  KANSAS  GEORGIA  LOUISIANA  COLORADO  SOUTH DAKOTA  MISSISSIPPI  ARIZONA  NEW MEXICO  INDIANA  WASHINGTON  ILLINOIS  NV

MIDWESTERN STATES ARE ALREADY OLD...

THEY'RE AGING FASTER...

POPULATION GROWTH (2017 TO 2018, BY STATE)

EIG’s ranking reflects the rate of new business formation, frequency of labor market turnover, and the geographic mobility of the workforce.

WHICH SLOWS BUSINESS FORMATION AND JOB GROWTH...

BUSINESS DYNAMISM RANKINGS, ECONOMIC INNOVATION GROUP (EIG)

AND PUSHES HIGHLY EDUCATED PEOPLE TO LEAVE.

BRAIN DRAIN

#26 IOWA
#27 WISCONSIN
#37 OHIO
#38 MICHIGAN
#39 PENNSYLVANIA

#43 MICHIGAN
#44 WISCONSIN
#46 IOWA
#48 PENNSYLVANIA
#50 OHIO

% OF NET HIGHLY EDUCATED ENTRANTS
WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT’S HARD TO BREAK

While an older population is great for health care and related retirement-based businesses, it is not one that will drive entrepreneurship and associated business growth.18

- KURT METZGER
MAYOR OF PLEASANT RIDGE, MI

Population loss itself perpetuates economic decline. Its deleterious effects on housing markets, local government finances, productivity, and dynamism make it harder for communities to bounce back. For example, this analysis found that a 1 percentage point decline in a county’s population growth rate is associated with a 2-3 percentage point decline in its startup rate over the past decade.19

- THE ECONOMIC INNOVATION GROUP
IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE

A CONSERVATIVE IMMIGRATION PLAN WOULD GROW THE U.S. ECONOMY

Immigrants could increase U.S. GDP by $831 billion over 10 years and create 8.4 million new jobs.

Immigrants could increase GDP across these five states by $79 billion over 10 years and create 822,000 new jobs.

RECENT IMMIGRANTS ALREADY CONTRIBUTE $5.8 BILLION TO THESE FIVE STATES EACH YEAR

Recent immigrants already contribute $5.8 billion to these five states each year.

HOUSEHOLD INCOME AND TAX CONTRIBUTIONS:

- **Michigan**: +$1.9B
- **Pennsylvania**: +$1.9B
- **Ohio**: +$1B
- **Iowa**: +$296.1M
- **Wisconsin**: +$696M

- Household income and tax contributions, less the cost of services like schools, police protection, and health care.

IMMIGRANTS START NEW BUSINESSES

New jobs come from new businesses, but business creation in the Midwest is down. Immigrants are an exception.

MORE THAN 120,000 IMMIGRANT ENTREPRENEURS across these five states have created 560,000 new jobs.

Immigrants across the five states are both more likely to have a degree in higher education and more likely to be of working age.
TO APPRECIATE HOW RADICAL TRUMP’S POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS PROPOSE

The Business Roundtable is a nonpartisan national trade group that generally supports conservative policies. It has proposed a balanced immigration plan that will help grow our population and workforce, in sharp contrast to “restrictive” policies that would reduce our workforce and GDP. Trump’s proposals, if enacted, would reduce our GDP far more than these “restrictive” policies.  

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**NATIONAL IMPACT (10 YEARS)**

<table>
<thead>
<tr>
<th>Plan</th>
<th>GDP</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCED REFORM</strong></td>
<td>+$831B</td>
<td>+8.4M</td>
</tr>
<tr>
<td><strong>RESTRICTIVE PLAN</strong></td>
<td>-$640B</td>
<td>-$6.9M</td>
</tr>
</tbody>
</table>

**REGIONAL IMPACT (10 YEARS)**

- **Pennsylvania**: Balanced Reform: +$79B, +822K Jobs; Restrictive Plan: -$84B, -686K Jobs
- **Ohio**: Balanced Reform: +$32B, +16.6M Jobs; Restrictive Plan: -$13.6B, -10.2M Jobs
- **Michigan**: Balanced Reform: +$1.5T, +15.3M Jobs; Restrictive Plan: -$47.11B, -4.25M Jobs
- **Wisconsin**: Balanced Reform: +$32B, +16.6M Jobs; Restrictive Plan: -$13.6B, -10.2M Jobs
- **Iowa**: Balanced Reform: +$32B, +16.6M Jobs; Restrictive Plan: -$13.6B, -10.2M Jobs
COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

The OECD predicts that Italy’s public debt-to-GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.24

The IMF reported that Japan’s aging population could decrease GDP growth by one percentage point over the next three decades. By 2040, experts predict that one in three Japanese people will be over the age of 65. This would be the highest proportion in the world.25

The Economic Innovation Group found that 41% of U.S. counties experienced rates of total population and working age population loss as bad or worse than Japan from 2007 to 2017.26

Overall, Japan’s population decreased by .26% and Italy’s population decreased by .13%.
WELL-RUN STATES AND CITIES ARE WELCOMING IMMIGRANTS

Launched in 2009, Welcoming America supports communities by creating a network of governments, organizations, and individuals and providing them with the tools and resources they need to support immigrants. There are 111 local governments participating nationwide. Welcoming Economies Global Network is a regional network of organizations across the Midwest.28

Attracting more foreign-born people to live, work and invest here makes the region more competitive. And it draws new sources of capital, innovation, productivity and excitement.29

- JOHN CRANLEY
MAYOR OF CINCINNATI

The city would be prepared to welcome these immigrants just as we have embraced our immigrant communities for decades.30

- JIM KENNEY
MAYOR OF PHILADELPHIA

One of the key solutions is to welcome immigrants into these communities.31

- BROOKS RAINWATER
DIRECTOR, NATIONAL LEAGUE OF CITIES’ CENTER
CASE STUDY: MICHIGAN

MICHIGAN POPULATION AGED 0-17 & AGED 65+\(^{32}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>POPULATION AGED 0-17</th>
<th>POPULATION AGED 65+</th>
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<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
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<tr>
<td>2030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2040</td>
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SENIORS ARE GOING TO OUTNUMBER MINORS BY 2025

TEN YEARS BEFORE THE NATIONAL AVERAGE

IMMIGRATION = DIFFERENCE BETWEEN MODEST AND SERIOUS POPULATION DECLINE

Between 2018 and 2025, Michigan will depend on 163,000 immigrants to prevent harmful population and workforce declines.\(^{25}\)

ECONOMIC IMPACT OF IMMIGRATION\(^{33}\)

<table>
<thead>
<tr>
<th></th>
<th>GDP $ (10 YEAR)</th>
<th>BUSINESS ROUNDTABLE DATA</th>
<th>JOBS # (10 YEAR)</th>
<th>WAGES $ (10 YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WITH IMMIGRATION</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>WITHOUT IMMIGRATION</td>
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50+ MEDIAN AGE IN 21/83 COUNTIES

THE HIGHEST IN THE U.S.\(^{34}\)
2. Ibid.
9. Ibid.
22. Ibid.
25. Romer, Valentia. “How Japan’s ageing population is shrinking GDP.” Financial Times, May 16, 2018. https://www.ft.com/content/7c747bd5-545f-1eb8-b5e4-4fe029209b8c
THE ARGUMENT
THE U.S. HAS PLENTY
SLOWING LABOR GROWTH
STATES AND CITIES WELCOMING IMMIGRANTS
NEGATIVE CYCLE
ENDING SOUR REAL PROBLEM COUNTRIES ON TRACK MIDWEST STATES MICHIGAN CASE STUDY BREAK THE NEGATIVE CYCLE TRUMP'S POLICIES Q1 IMMIGRATION