

ISSUE BRIEF : Q3 2019

TENNESSEE IS NOT FULL

STATE REPORT



BUSINESSFORWARD
FOUNDATION

TOPLINE

President Trump argues we cannot accommodate more immigrants because “our country is full.”

In actuality, America has an aging problem, declining birthrates, and thousands of underpopulated cities and towns struggling with falling home prices and dwindling tax revenue. We need immigrants to keep our economy growing.

“ 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.”

- PRESIDENT DONALD TRUMP

U.S.

1. The U.S. has plenty of land, water, food, and energy.
2. America’s problem is fewer babies, fewer workers, and migration from small towns to big cities.
3. Trump’s restrictive immigration policies are bad for business, property values, pensions, and social security.
4. Over 10 years, restrictive immigration policies could cost \$1.5 trillion in GDP and 15.3 million jobs.²
5. Countries currently on the track Trump recommends are struggling.

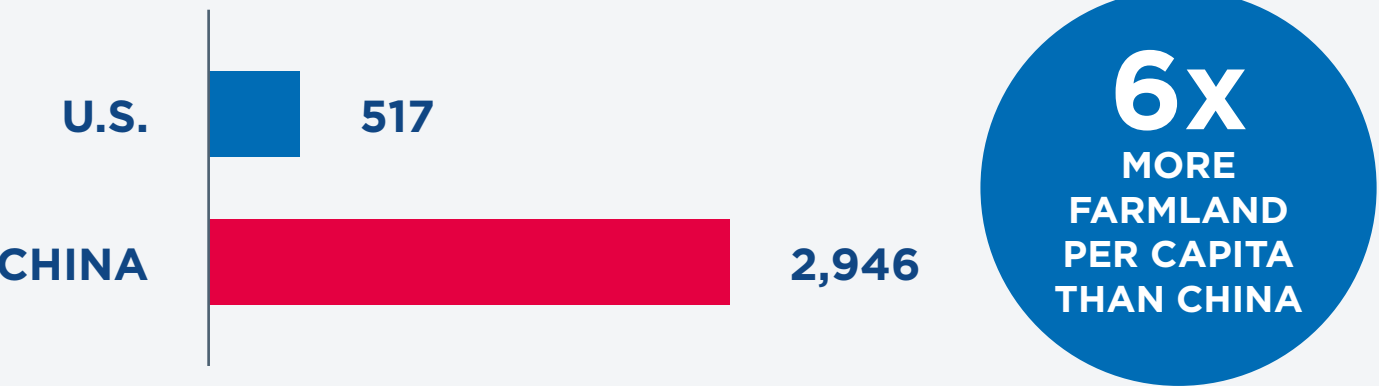
TENNESSEE

1. Tennessee’s population is among the oldest in the U.S., and it is aging quickly.
2. Its aging population is slowing business formation and job growth. It’s also increasing health care costs and encouraging younger workers to leave.
3. Immigrants already contribute \$527 million to Tennessee’s economy each year.³ Continued immigration could prevent its economy from spiraling.
4. A balanced immigration policy would grow Tennessee’s GDP by \$9.9 billion over ten years. Restrictive policies would reduce its GDP by \$9.3 billion.⁴

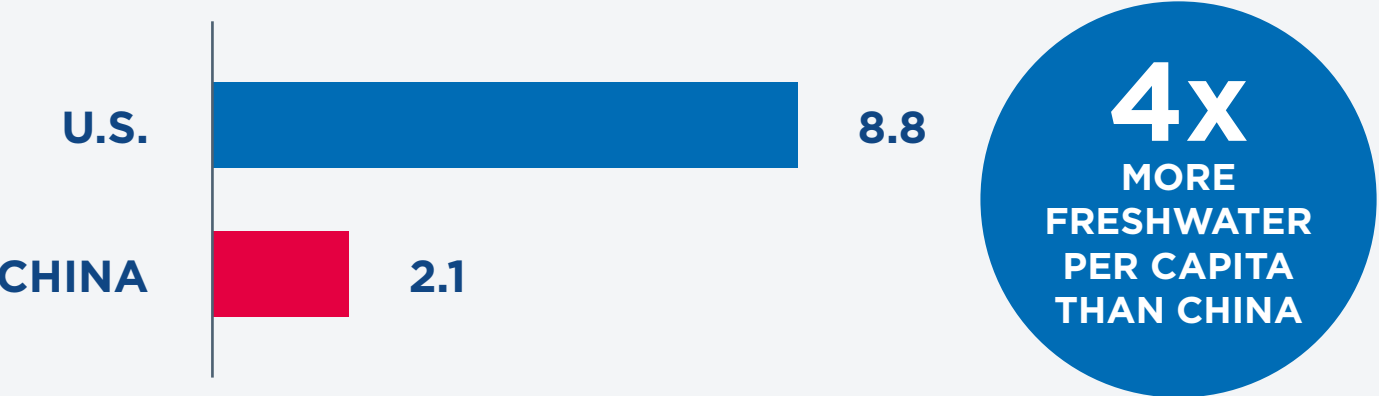
THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE
OF FARMABLE LAND⁵



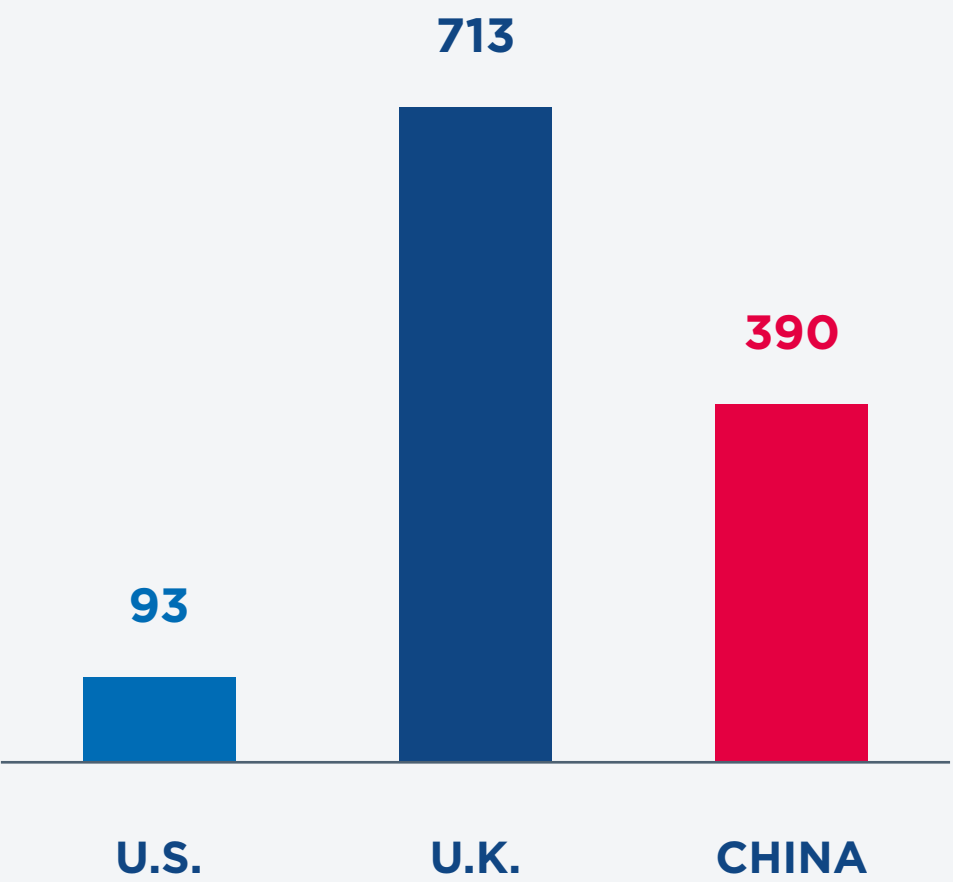
RENEWABLE INTERNAL FRESHWATER,
PER CAPITA, IN THOUSANDS OF CUBIC METERS⁶



POPULATION DENSITY

The U.S. has room. 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.

PEOPLE PER SQUARE MILE⁷



U.S. FOOD PRODUCTION

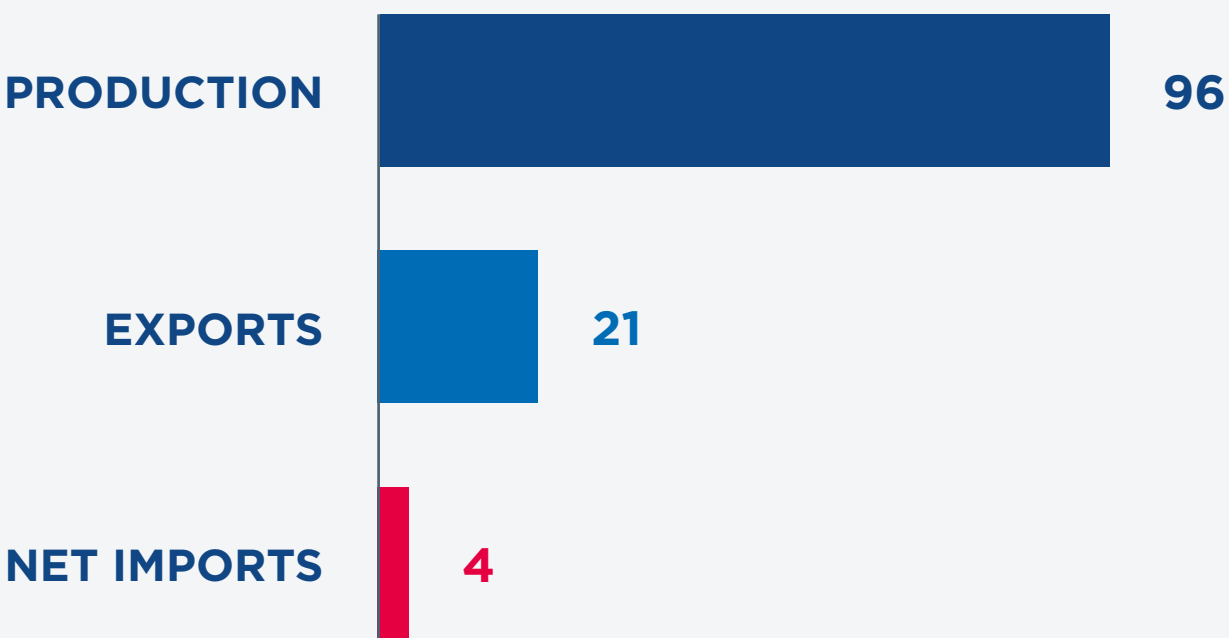
THE U.S. EXPORTS

\$140 BILLION

IN AGRICULTURAL PRODUCTS PER YEAR.⁸

U.S. ENERGY PRODUCTION

(QUADRILLION BTUS, 2018)⁹



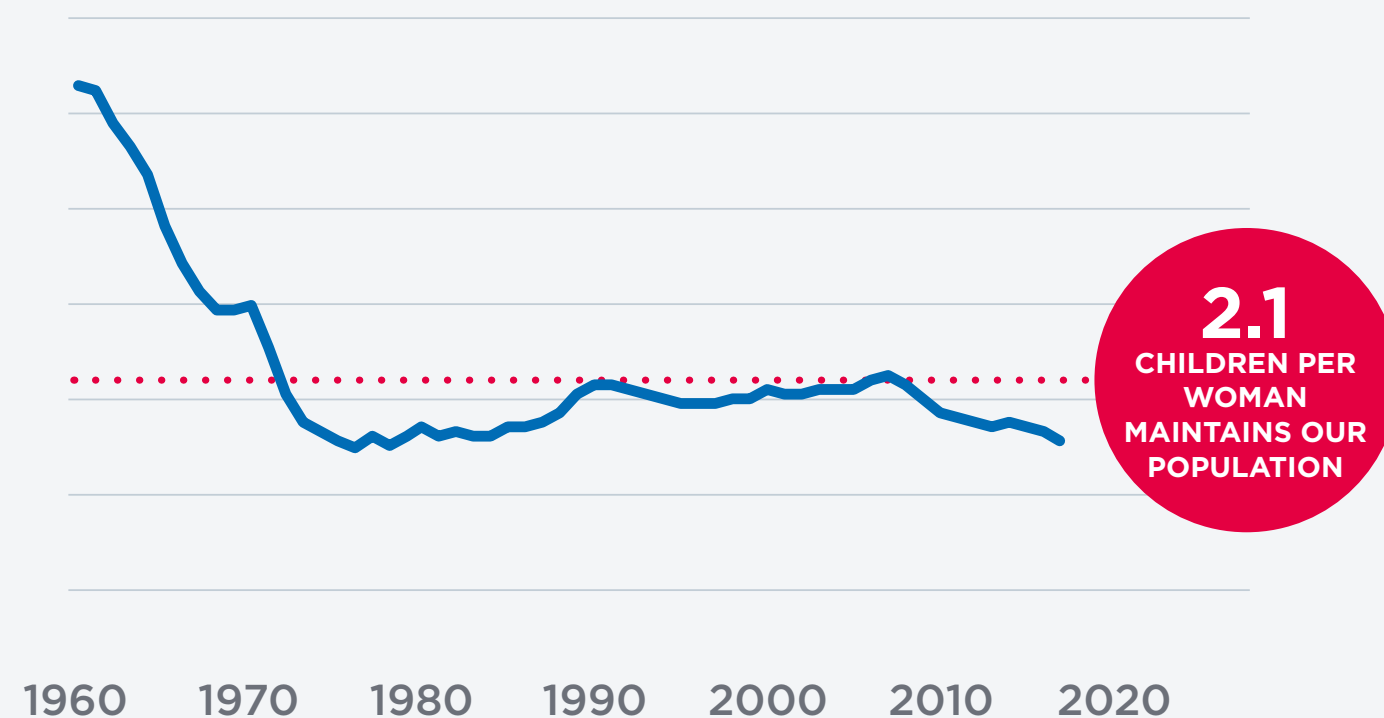
OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

The U.S. has two problems that, together, are putting enormous pressure on half of the country. 1) Americans are having fewer kids, and 2) they are leaving less-populated areas for jobs and opportunities in major cities, mostly on the East and West Coasts.

DECLINING FERTILITY RATE

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 will fall to 1.5 or 1.4 children per woman.

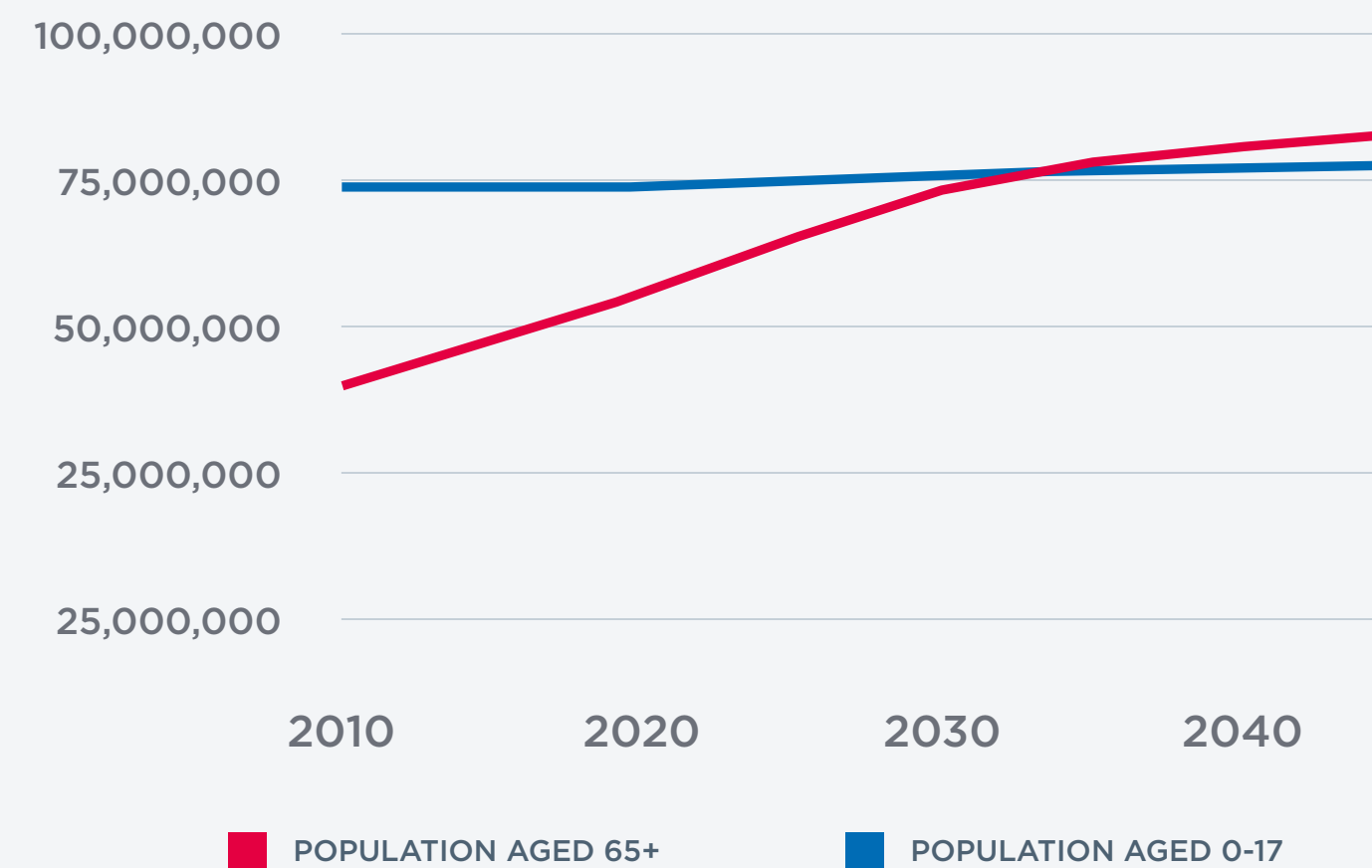
U.S. FERTILITY RATE¹⁰



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

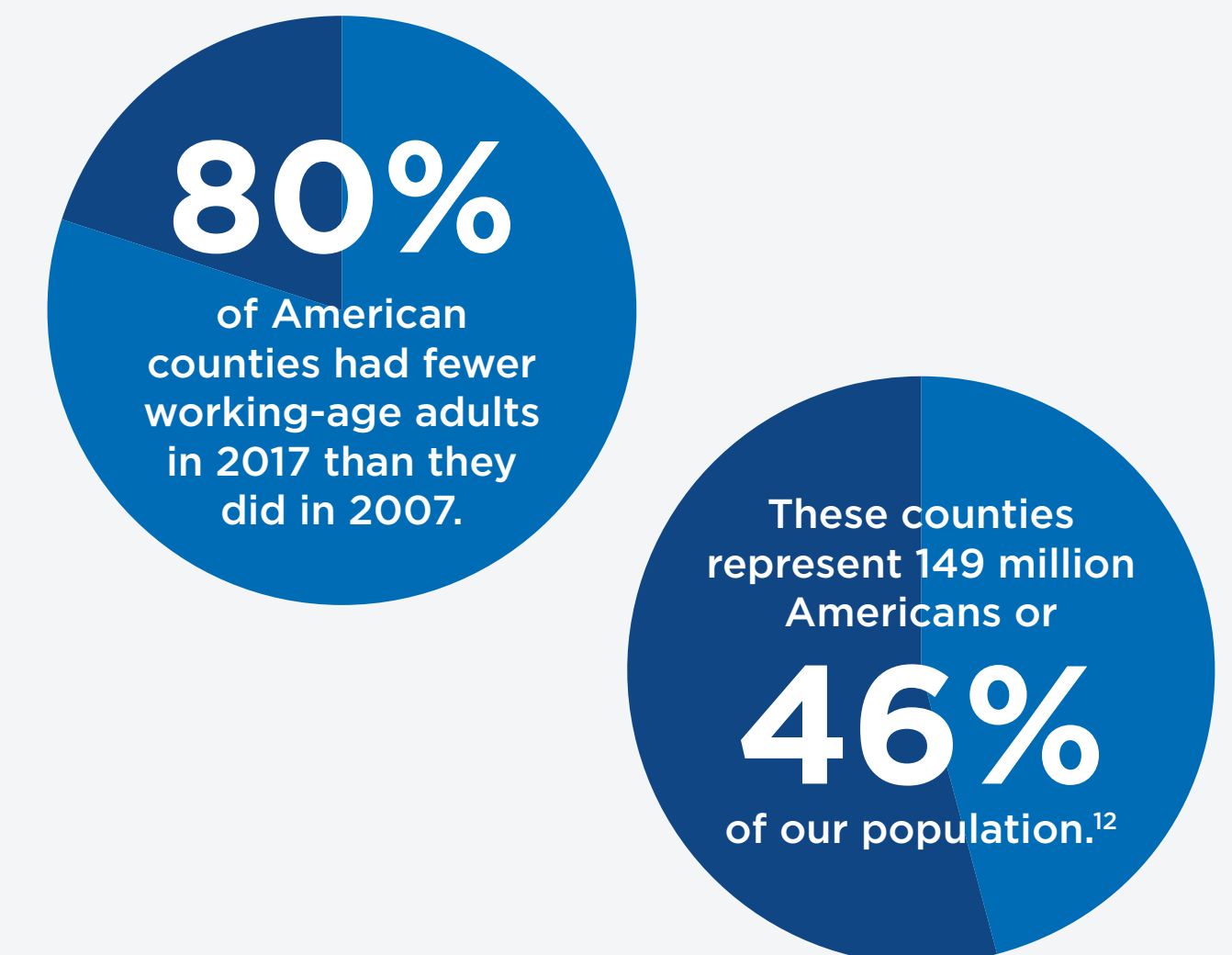
The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.

U.S. POPULATION AGED 0-17 & AGED 65+¹¹



MIGRATION TO CITIES

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

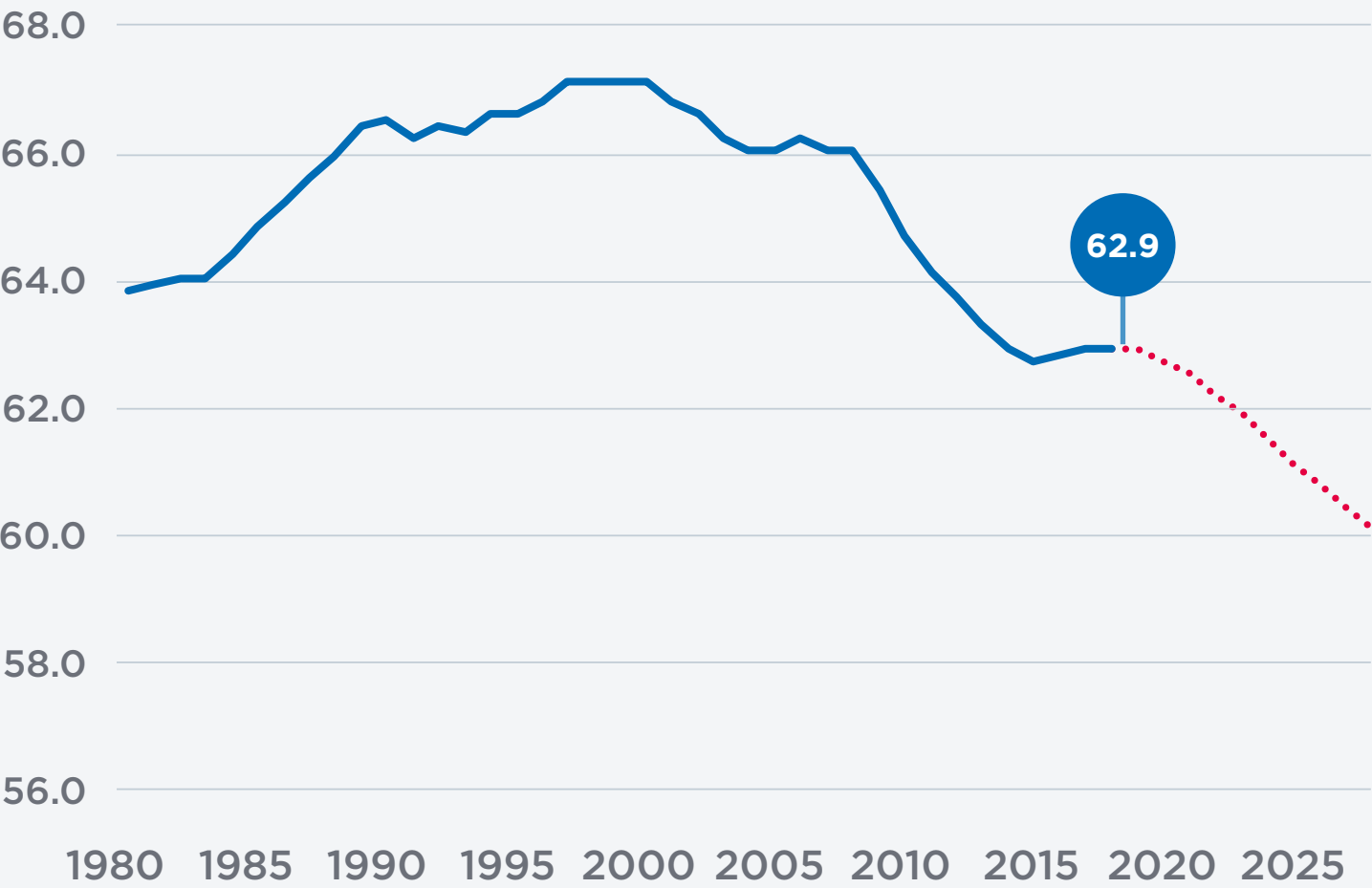


SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

DECLINING LFP = 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.

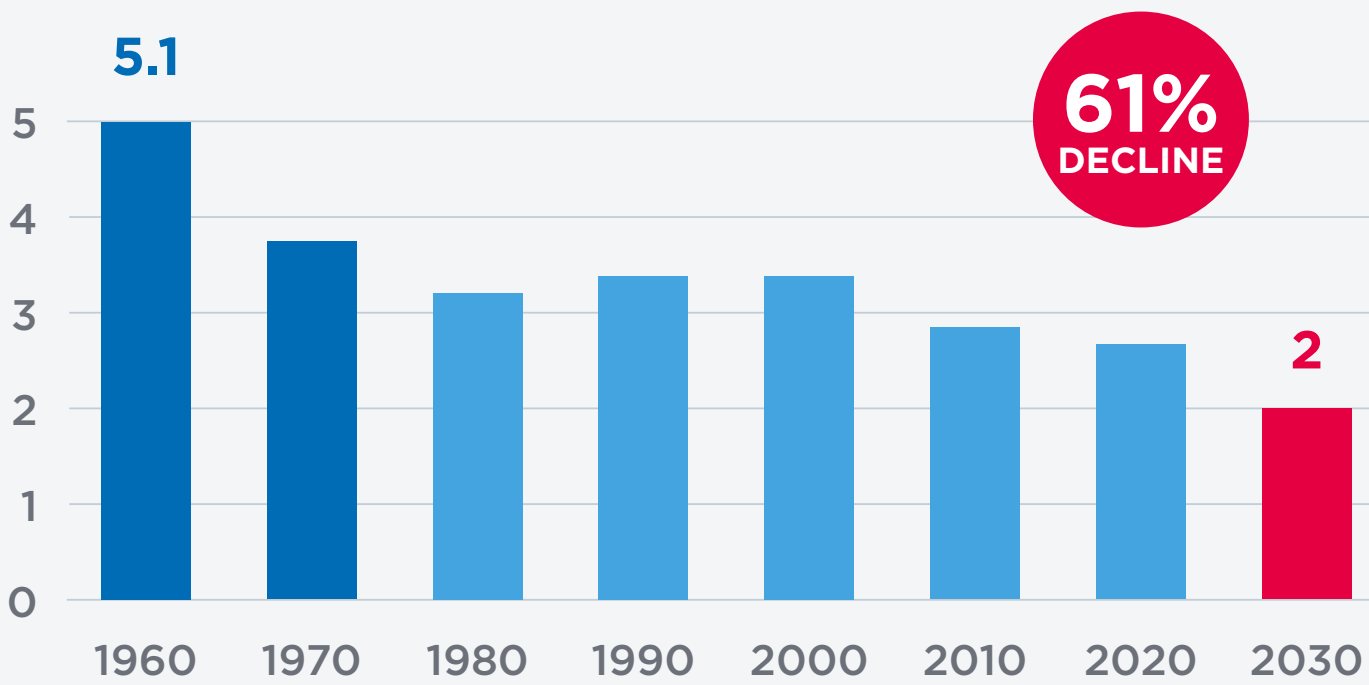
HISTORICAL AND PROJECTED
LABOR FORCE PARTICIPATION RATE¹³



DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.

NUMBER OF WORKERS SUPPORTING
EACH SOCIAL SECURITY RETIREE¹⁴



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

“

Our population is getting older in Tennessee. We face existing challenges today and will have new ones in the future.¹⁵

”

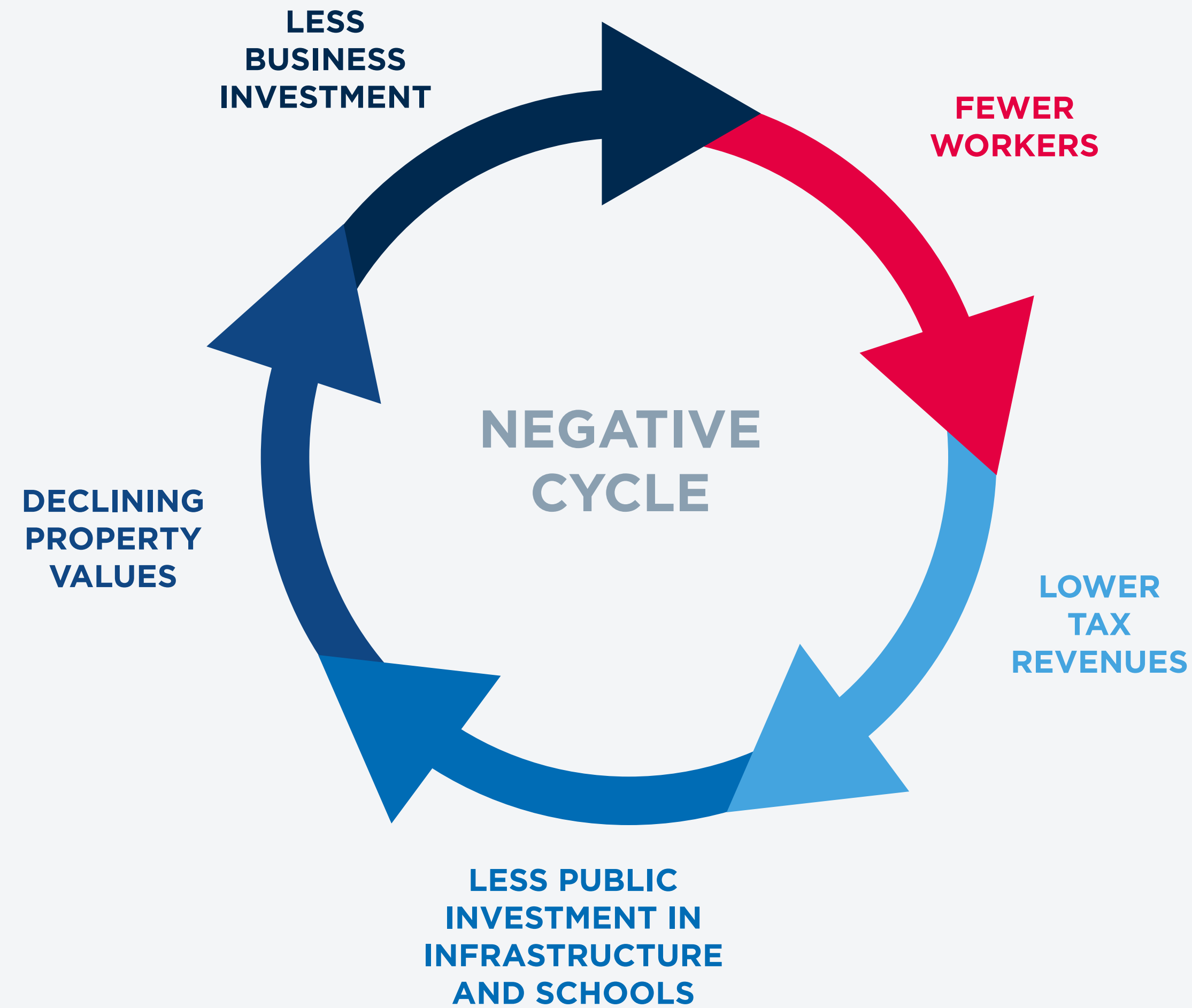
- JIM SHULMAN,
EXECUTIVE DIRECTOR,
TENNESSEE COMMISSION ON
AGING AND DISABILITY

JULY 23, 2019
COLE GRAY

GROWTH PROJECTIONS PLACE
SPOTLIGHT ON SENIOR NEEDS
IN WILLIAMSON COUNTY



WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT'S HARD TO BREAK



TENNESSEE REP. MIKE CARTER WEIGHS IN ON EXCESSIVE 911 CALLS, COMMITTEE EFFORTS

"Tennessee Rep. Mike Carter, R-Ooltewah, says he wants to help local fire departments and social service providers find long-term solutions to the high volume of non-emergency 911 calls from aging and disabled Tennesseans who've fallen through the care cracks. But immediate solutions are needed too, he said, especially in rural communities."¹⁶

BY ELIZABETH FITE
AUGUST 21, 2019

Chattanooga Times Free Press

JUNE 25, 2018
SANDY MAZZA

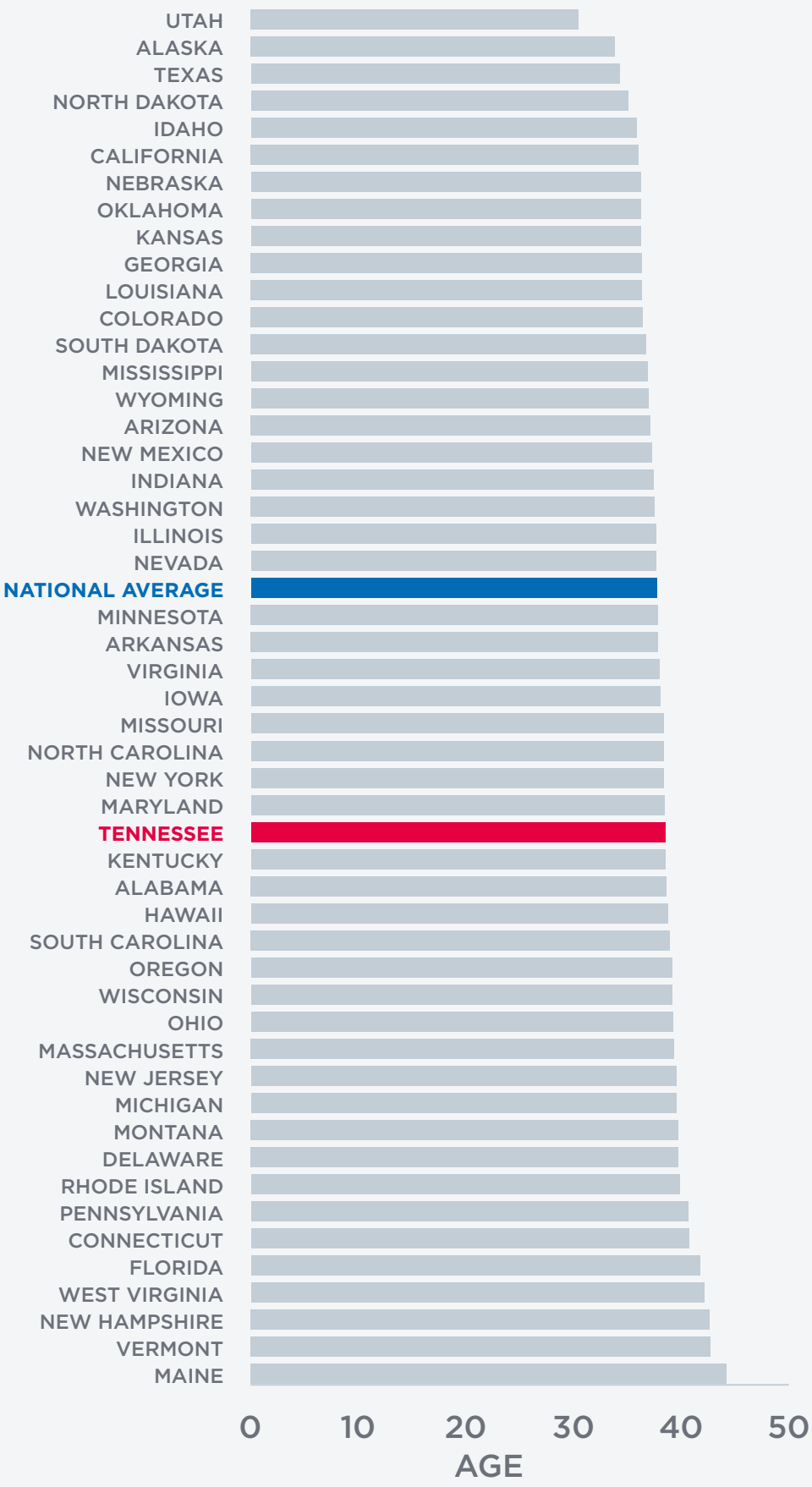
AGING IN PLACE: NASHVILLE'S SENIORS SEEKING MORE HOUSING HELP

Tennessean.
PART OF THE USA TODAY NETWORK

TENNESSEE IS ALREADY OLD AND IS AGING QUICKLY

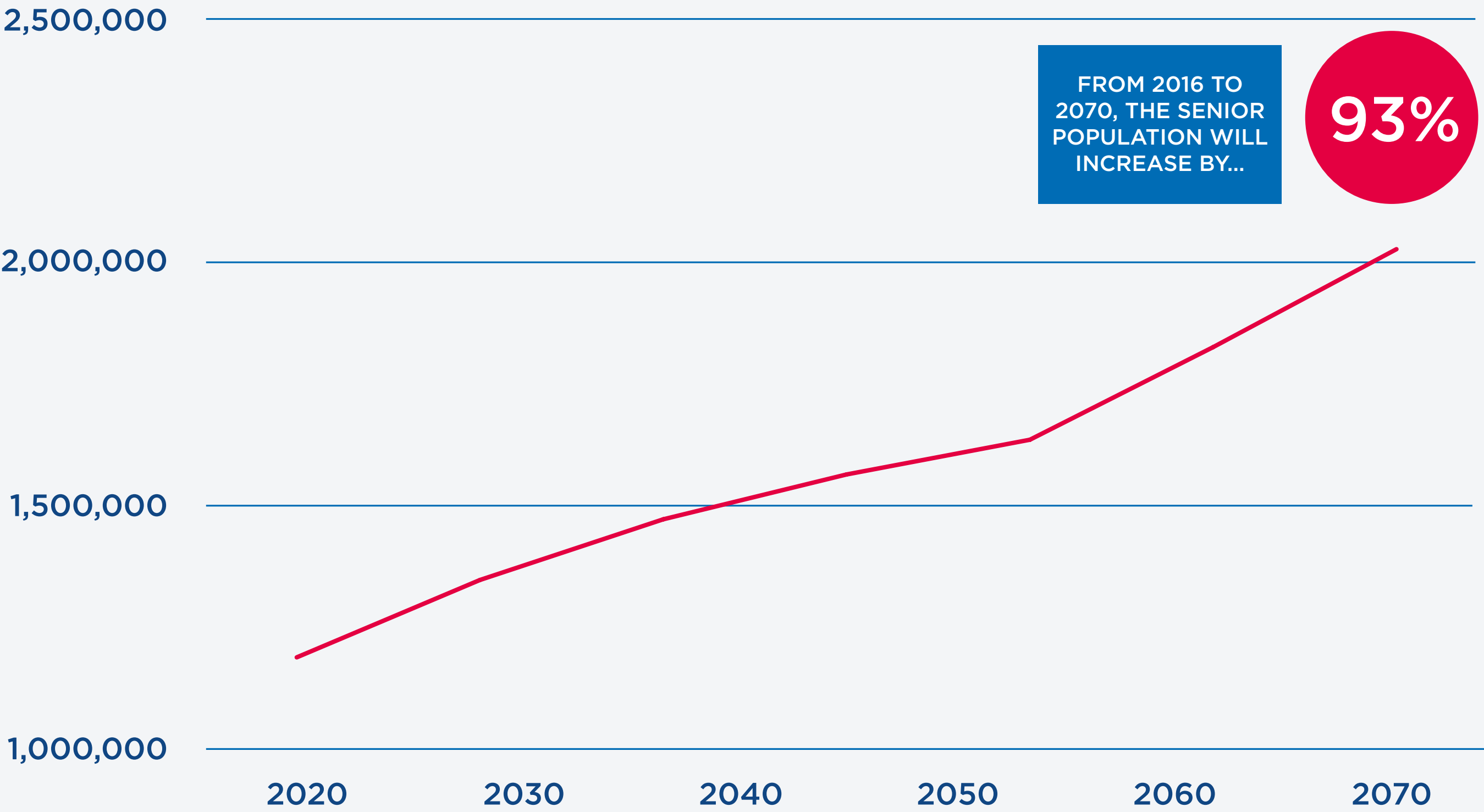
TENNESSEE'S POPULATION IS ALREADY OLD

MEDIAN AGE RANKINGS¹⁷



TENNESSEANS ARE AGING QUICKLY

TENNESSEE POPULATION AGED 65+¹⁸

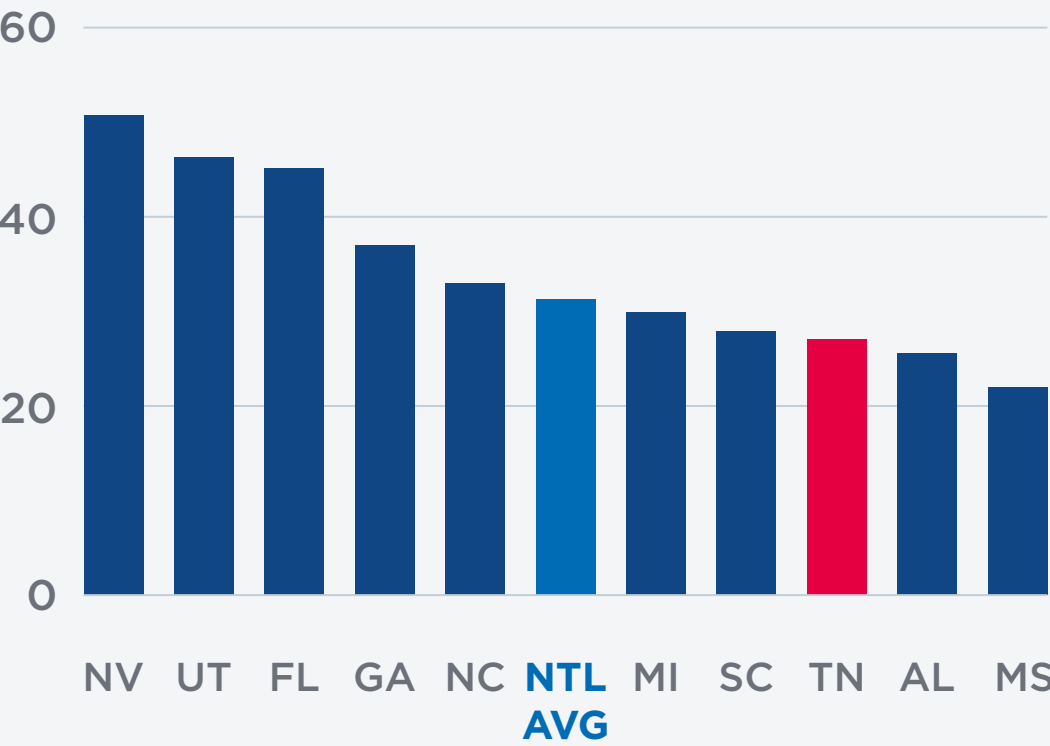


TENNESSEE IS ENTERING A NEGATIVE CYCLE

AGING SLOWS BUSINESS FORMATION AND JOB GROWTH

BUSINESS DYNAMISM RANKINGS (EIG)¹⁹

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

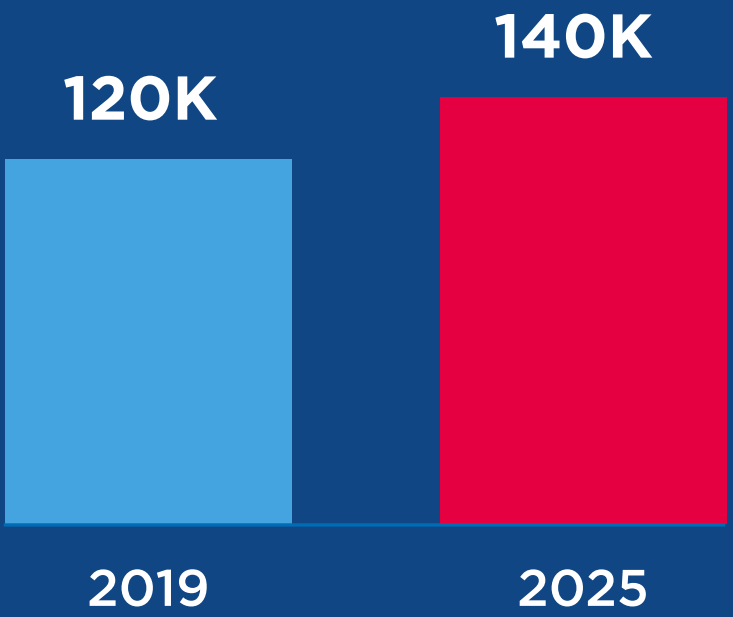


TENNESSEE RANKS #33

AGING INCREASES HEALTH CARE COSTS

As Tennessee ages, the cost of caring for its population will increase. The greatest risk factor for developing Alzheimer's is old age. In 2019, Medicaid costs associated with caring for people with Alzheimer's will add up to more than \$1.0B.²⁰

NUMBER OF ALZHEIMER'S PATIENTS IN TENNESSEE (65+)²¹



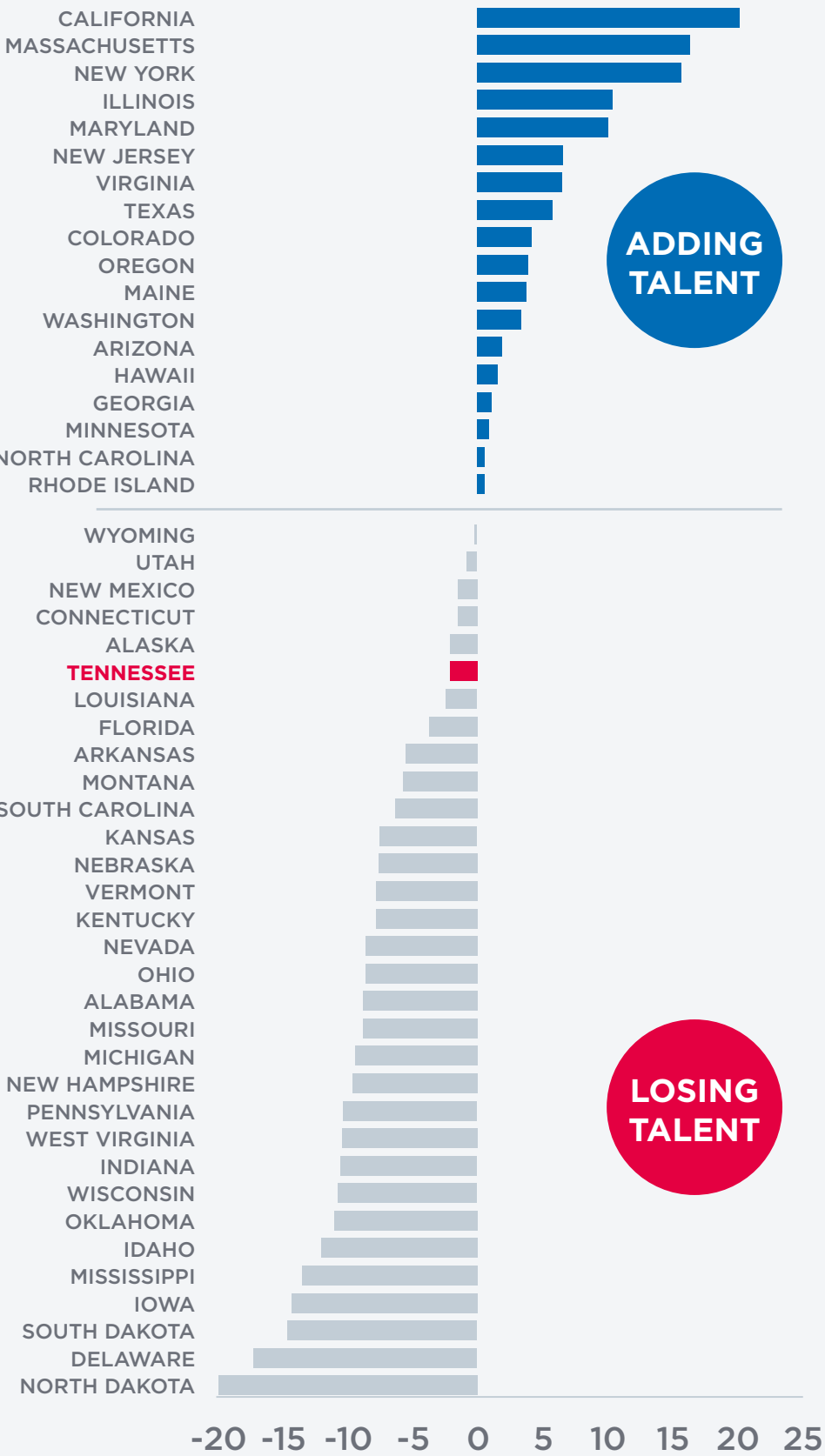
MARCH 8, 2019
ANTIONETTE KERR

TN LAWMAKERS CONSIDER AN ALZHEIMER'S ADVISORY COUNCIL

Public
News
Service

TENNESSEE IS LOSING YOUNG TALENT

BRAIN DRAIN (GAP IN PERCENT OF HIGHLY EDUCATED BETWEEN ENTRANTS AND LEAVERS)²²



IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE IN TENNESSEE

RECENT IMMIGRANTS ALREADY CONTRIBUTE \$527 MILLION TO TENNESSEE EACH YEAR²³

The net economic impact of immigrants to Tennessee includes household income and tax contributions minus the cost of services like schools, police protection, and health care.



+\$527M
TENNESSEE

IMMIGRANTS START NEW BUSINESSES²⁴

New jobs tend to come from new businesses, but business creation in Tennessee is down. Immigrants are an exception.

**MORE THAN
20,000
IMMIGRANT
ENTREPRENEURS**

across Tennessee

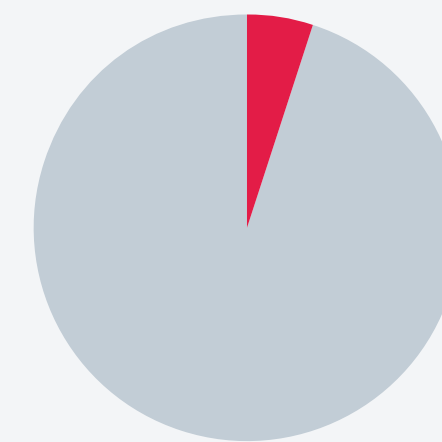
**HAVE CREATED
82,000
NEW JOBS**

Immigrants are both more likely to hold an advanced degree and more likely to be of working age.²⁵

IMMIGRANTS CAN HELP FILL THE HEALTH CARE LABOR GAP

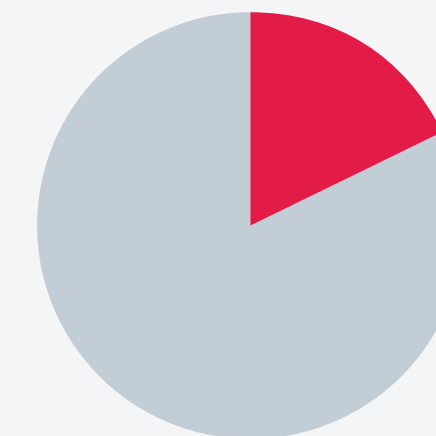
There is a shortage of doctors in the U.S., which will only get worse as our population ages. In 2014, there were 5.7 open health care jobs for every one unemployed health care worker in Tennessee.²⁶

IMMIGRANTS MAKE UP A LARGE SHARE OF DOCTORS



Even though immigrants represent **5%** of Tennessee's population...

...they make up **18%** of Tennessee's doctors.²⁷



IMMIGRANTS CONTRIBUTE TO THE MANUFACTURING SECTOR

When foreign-born workers move to the U.S., they reduce costs for firms and make it less attractive for them to move their operations abroad. Studies found that for every 1,000 immigrants that relocate to a given county, 46 manufacturing jobs are preserved or created.²⁸

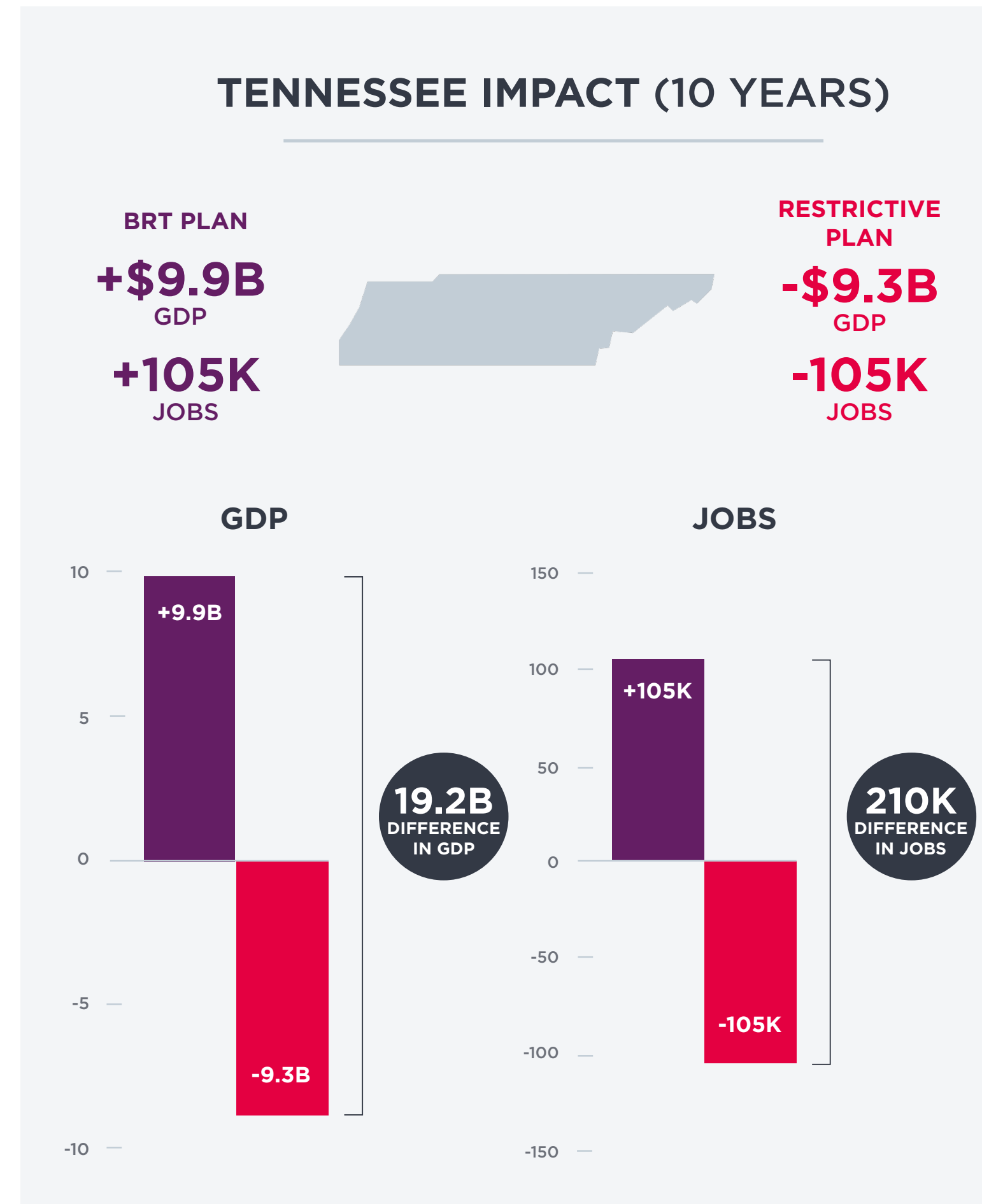
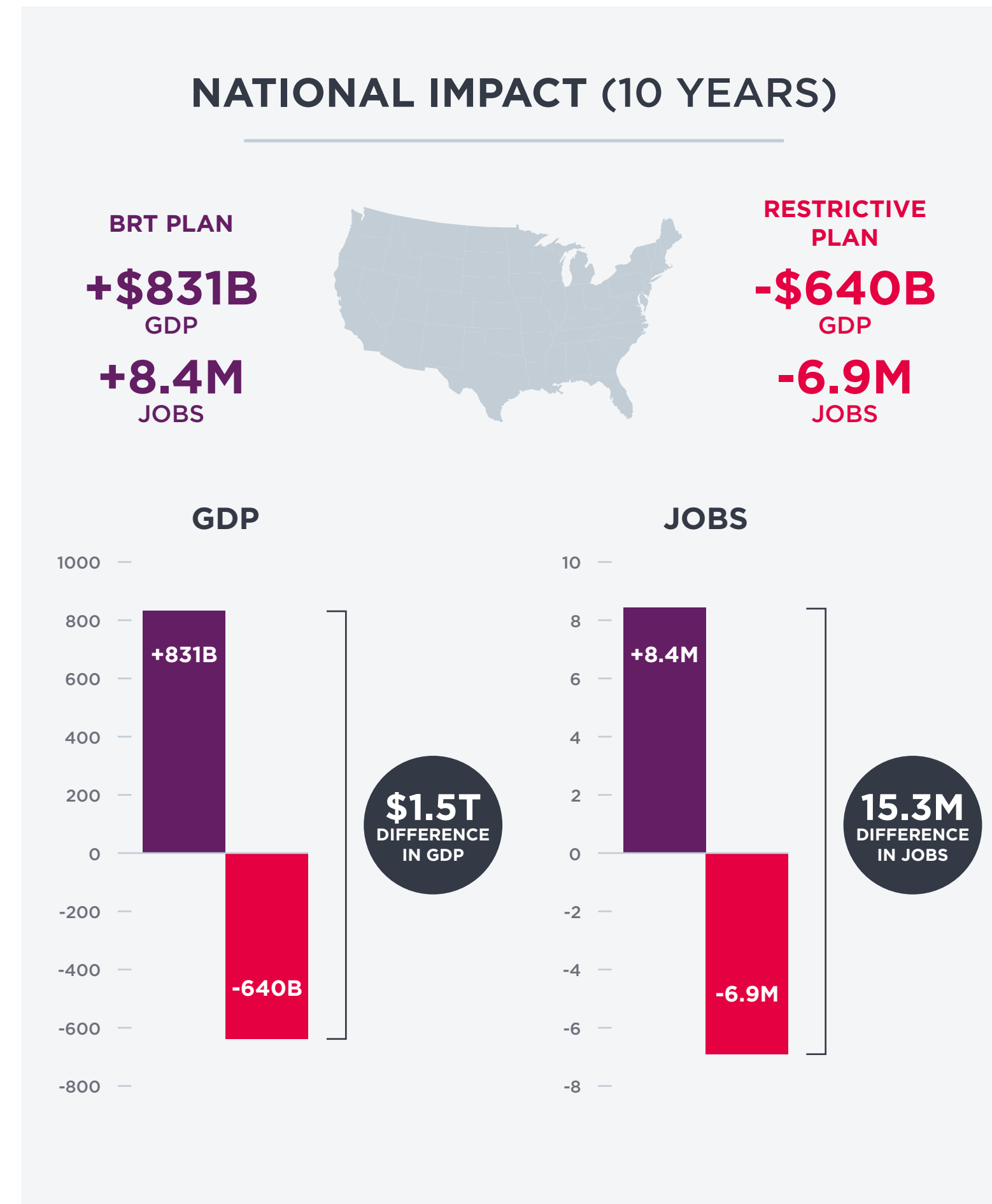
290K
IMMIGRANT RESIDENTS
OF TENNESSEE IN 2010



CREATED OR
PRESERVED MORE
THAN
13K
MANUFACTURING
JOBS²⁹

TO APPRECIATE HOW RADICAL AND COSTLY RESTRICTIVE IMMIGRATION POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS HAVE PROPOSED

The Business Roundtable is a non-partisan national trade group that generally supports Republican policies. It has proposed a balanced immigration plan that will help grow our population and workforce, in sharp contrast to 'restrictive' policies, which will accelerate negative trends nationwide and in Tennessee.³⁰



FEBRUARY 21, 2017
LIZZY ALFS

STUDY: IMMIGRANTS VITAL TO TENNESSEE ECONOMY

Tennessean.
PART OF THE USA TODAY NETWORK

“ [Immigrants] fill workforce gaps in the economy that are important to maintaining our ongoing prosperity. We have immigrants in small businesses, in large businesses, a wide range of industries.³¹ ”

- RALPH SCHULZ,
CEO,
NASHVILLE AREA CHAMBER OF COMMERCE

COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

ITALY



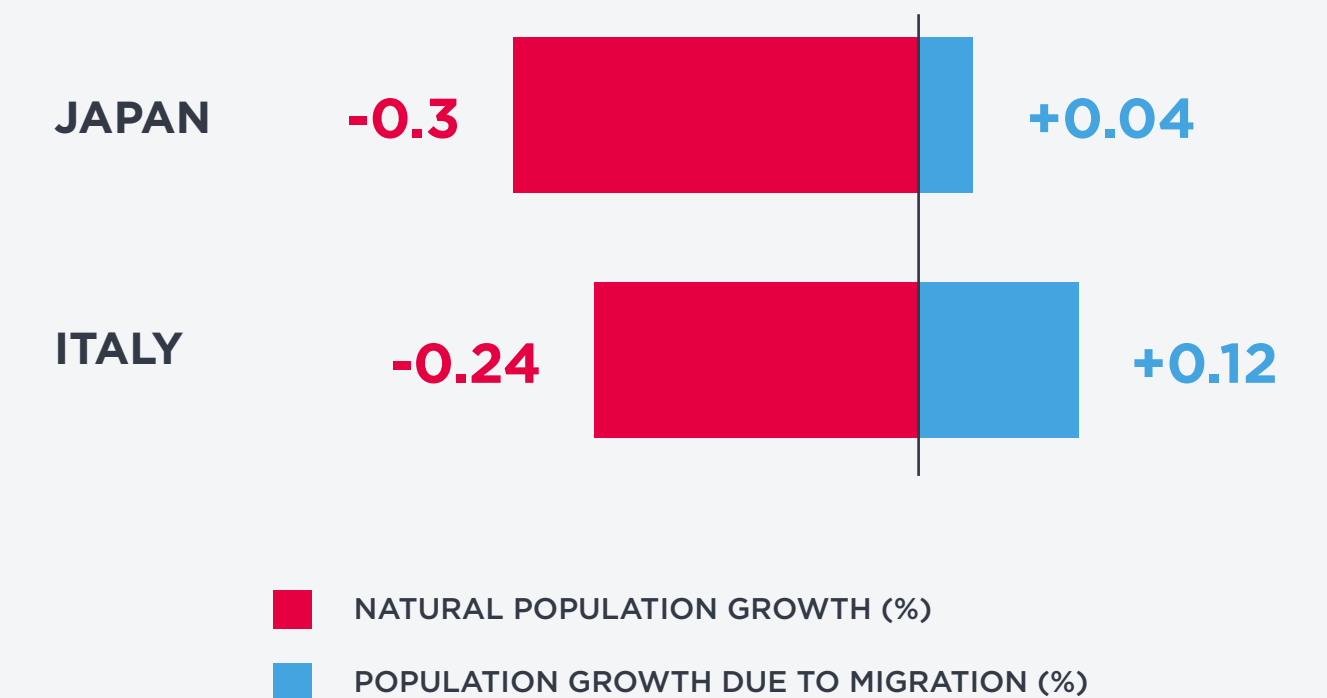
The OECD predicts that Italy's public debt to GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.³²

JAPAN



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.³³

POPULATION GROWTH BASED ON UN ESTIMATES, 2019³⁴



Overall, Japan's population decreased by .26% and Italy's population decreased by .13%.

ENDNOTES

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