

ISSUE BRIEF : Q3 2019

PENNSYLVANIA 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.

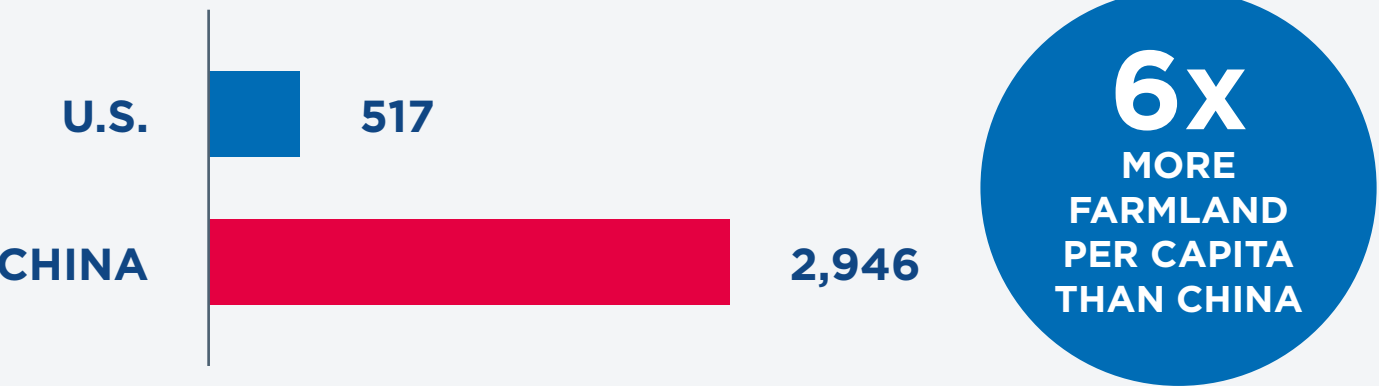
PENNSYLVANIA

1. Pennsylvania’s population is among the oldest in the U.S., and it is aging faster than the rest of the country.
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 \$1.9 billion to Pennsylvania’s economy each year.³ Continued immigration could prevent its economy from spiraling.
4. A balanced immigration policy would grow Pennsylvania’s GDP by \$30 billion over ten years. Restrictive policies would reduce its GDP by \$17 billion.⁴

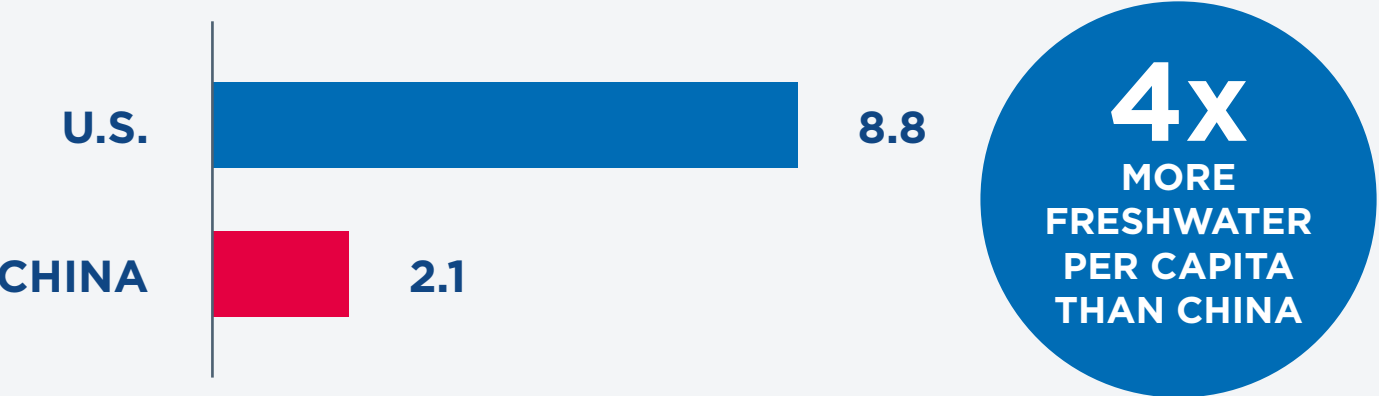
THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE
OF FARMABLE LAND⁵



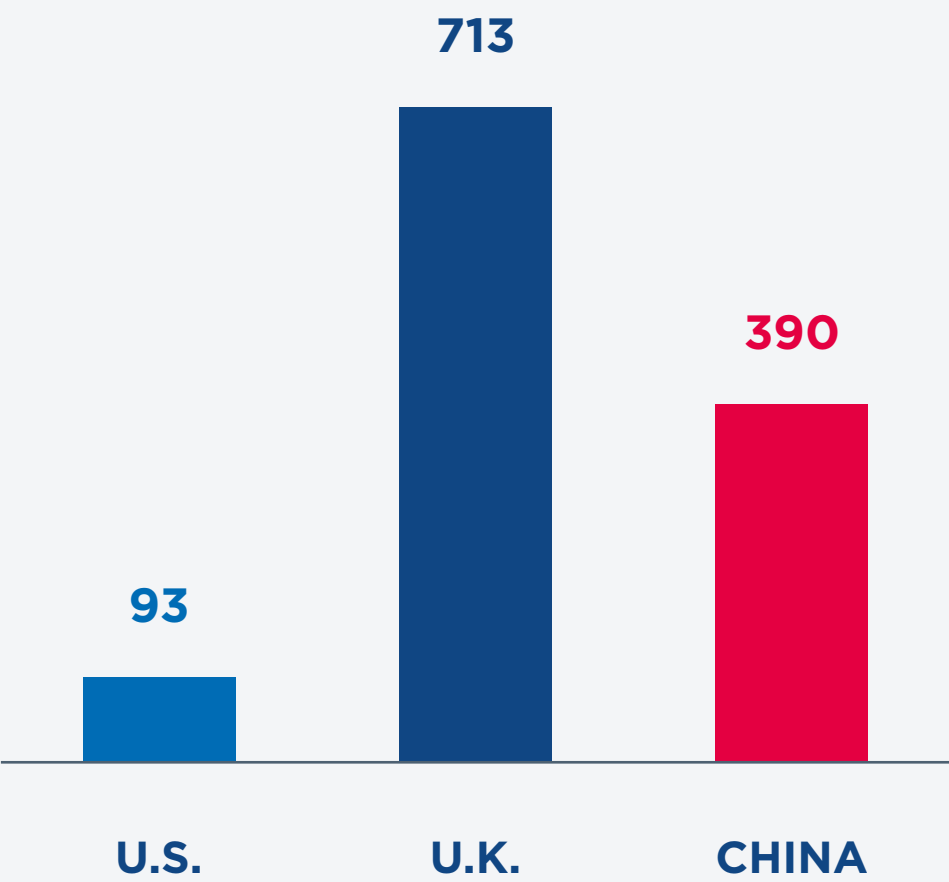
RENEWABLE INTERNAL FRESHWATER,
PER CAPITA, IN THOUSANDS OF CUBIC METERS⁶



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

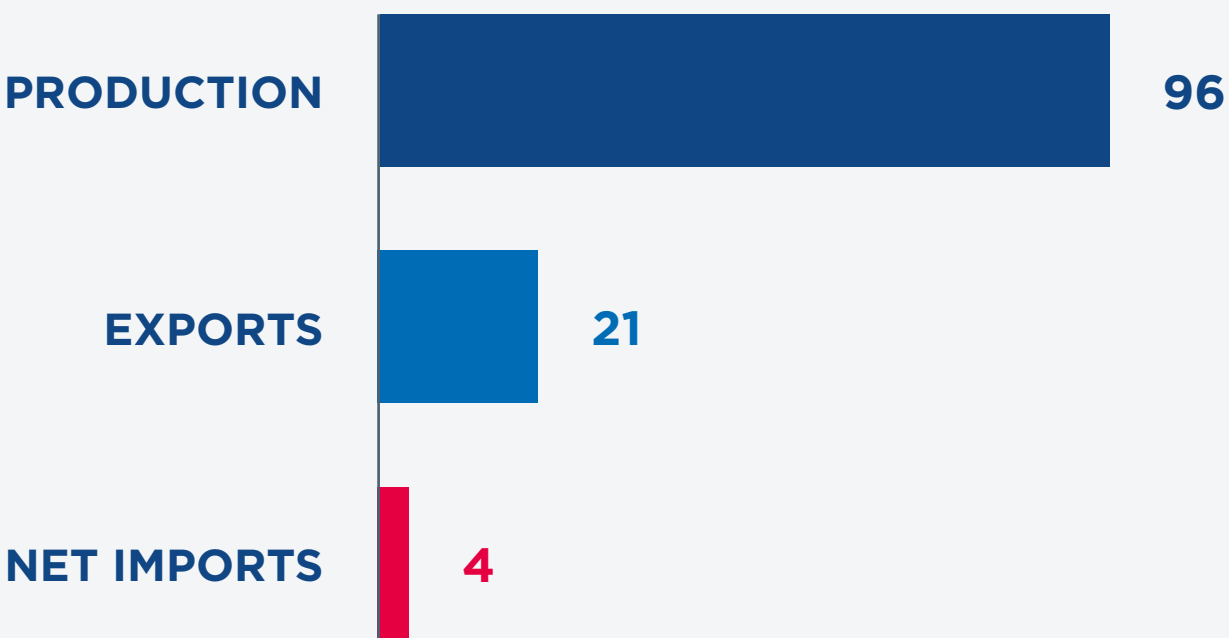
THE U.S. EXPORTS

\$140 BILLION

IN AGRICULTURAL PRODUCTS PER YEAR.⁸

U.S. ENERGY PRODUCTION

(QUADRILLION BTUS, 2018)⁹



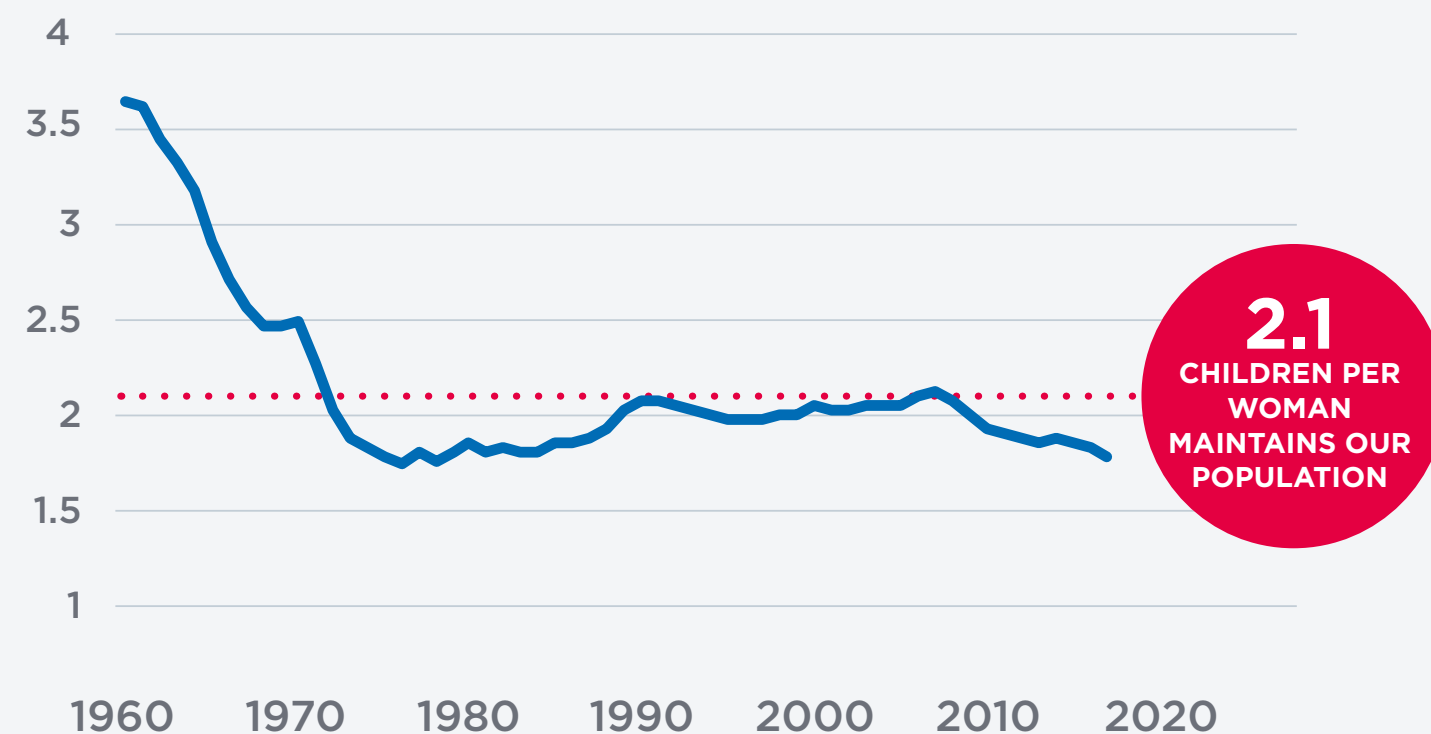
OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

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.

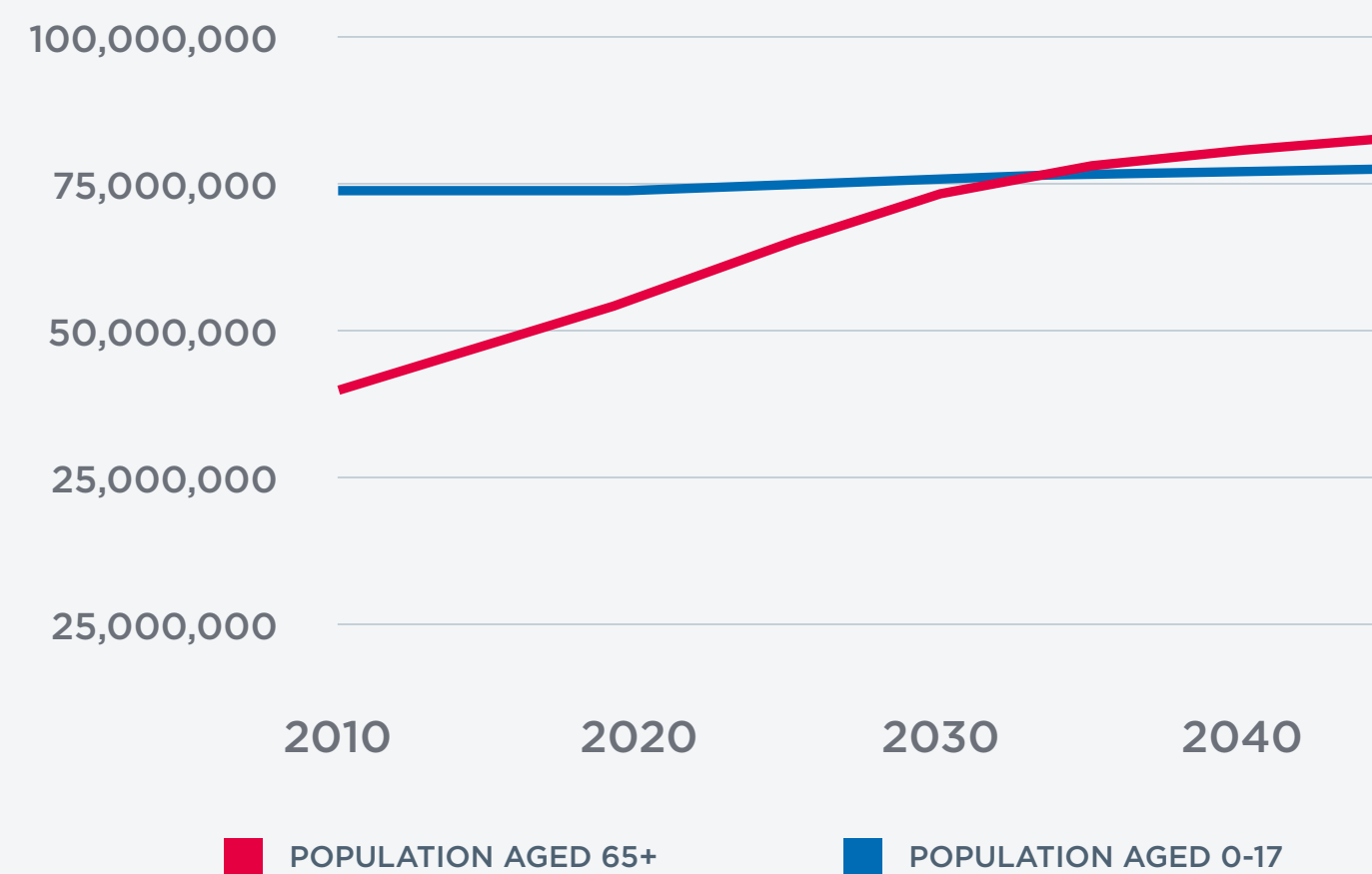
U.S. FERTILITY RATE¹⁰



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

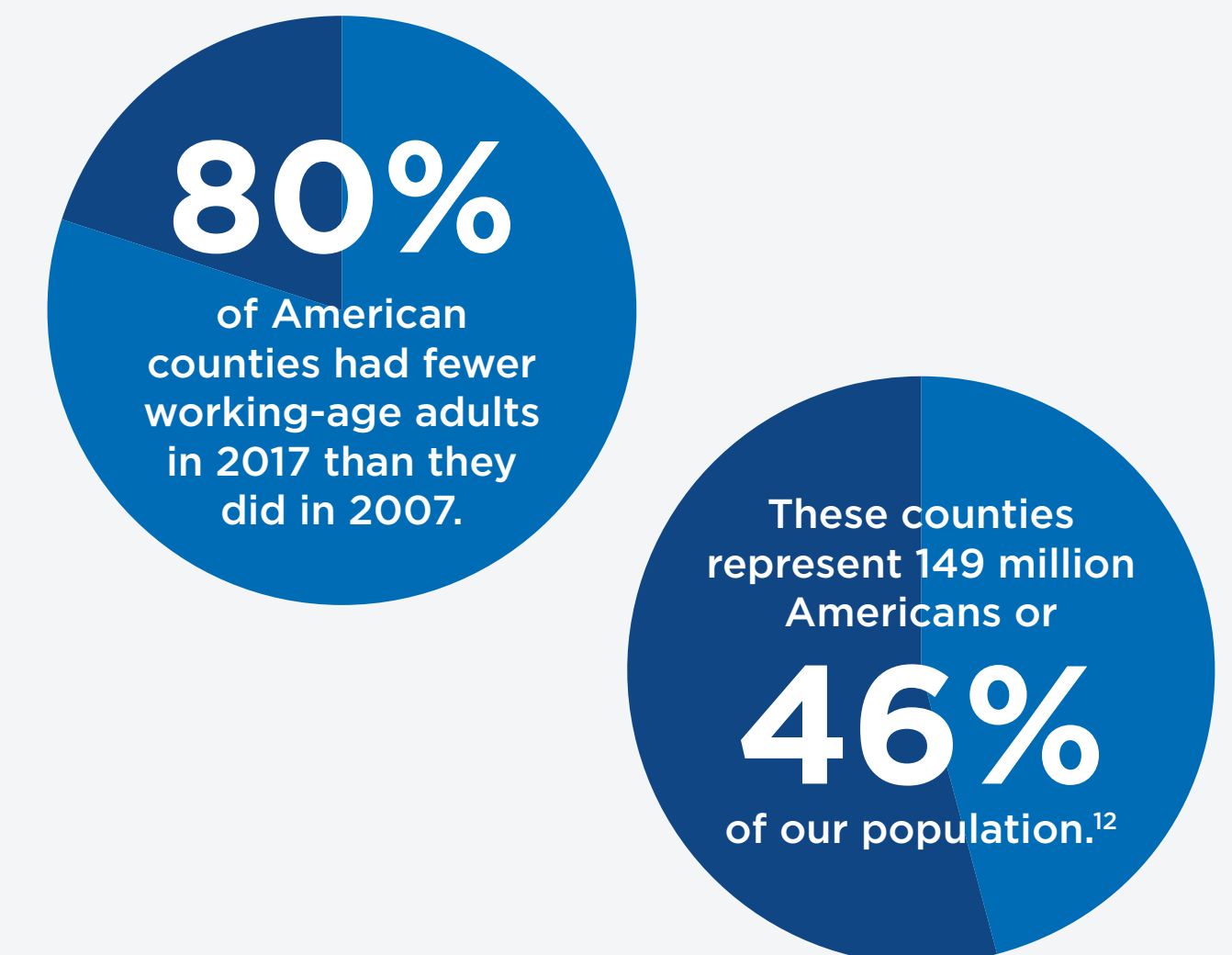
The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.

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.

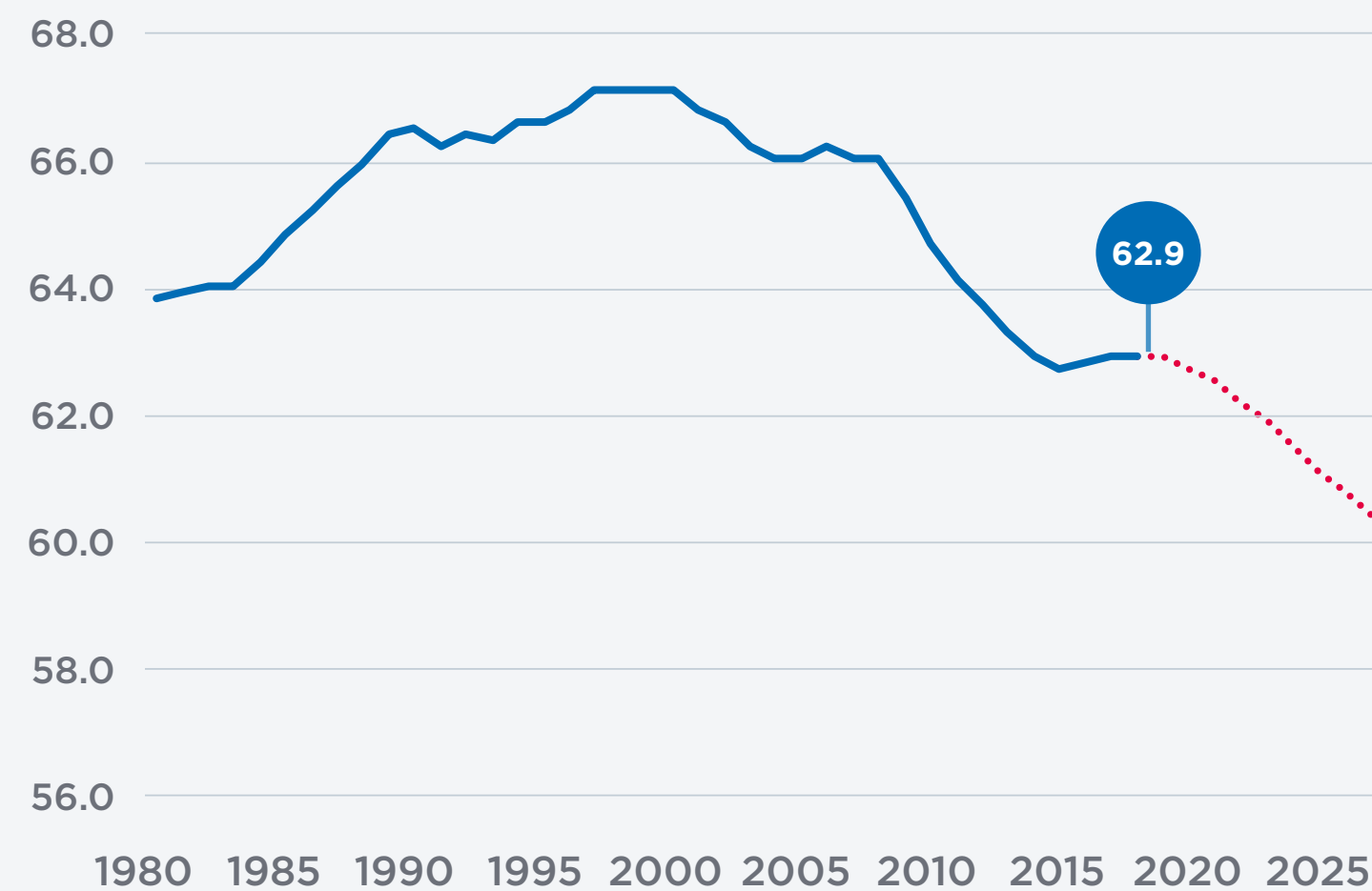


SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

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.

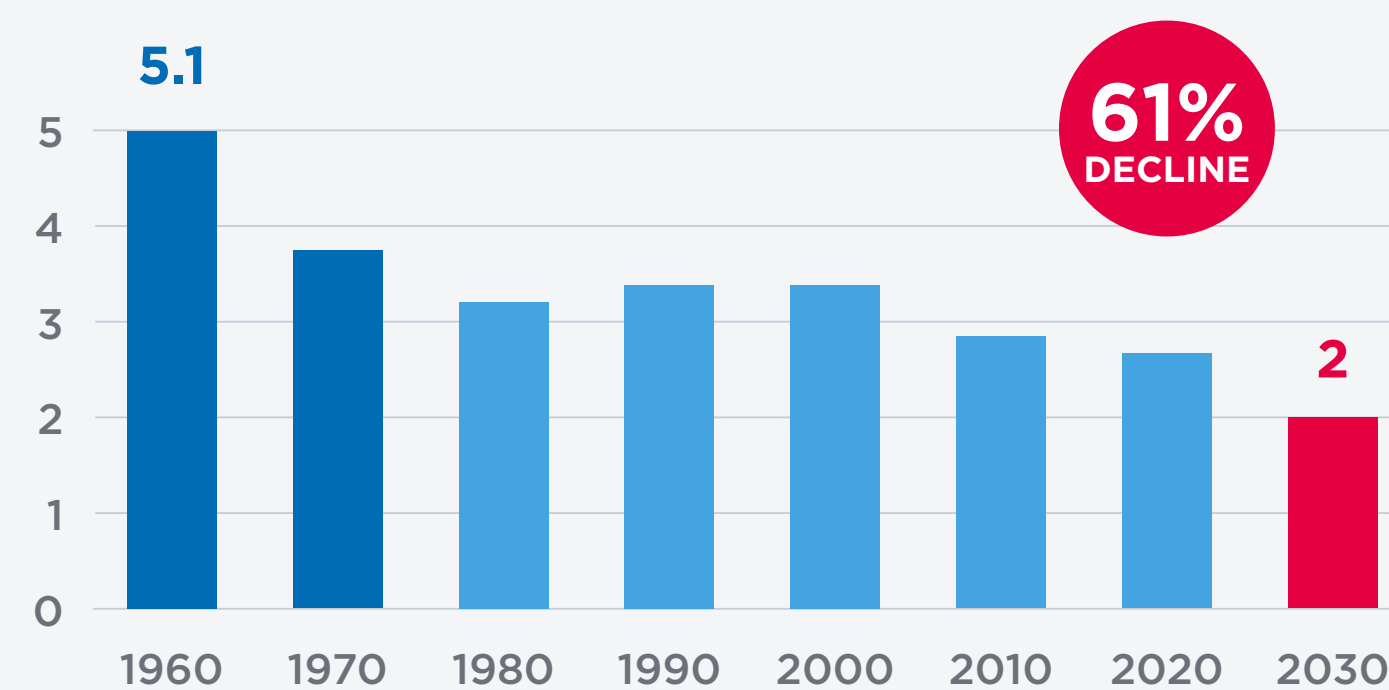
HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE¹³



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.

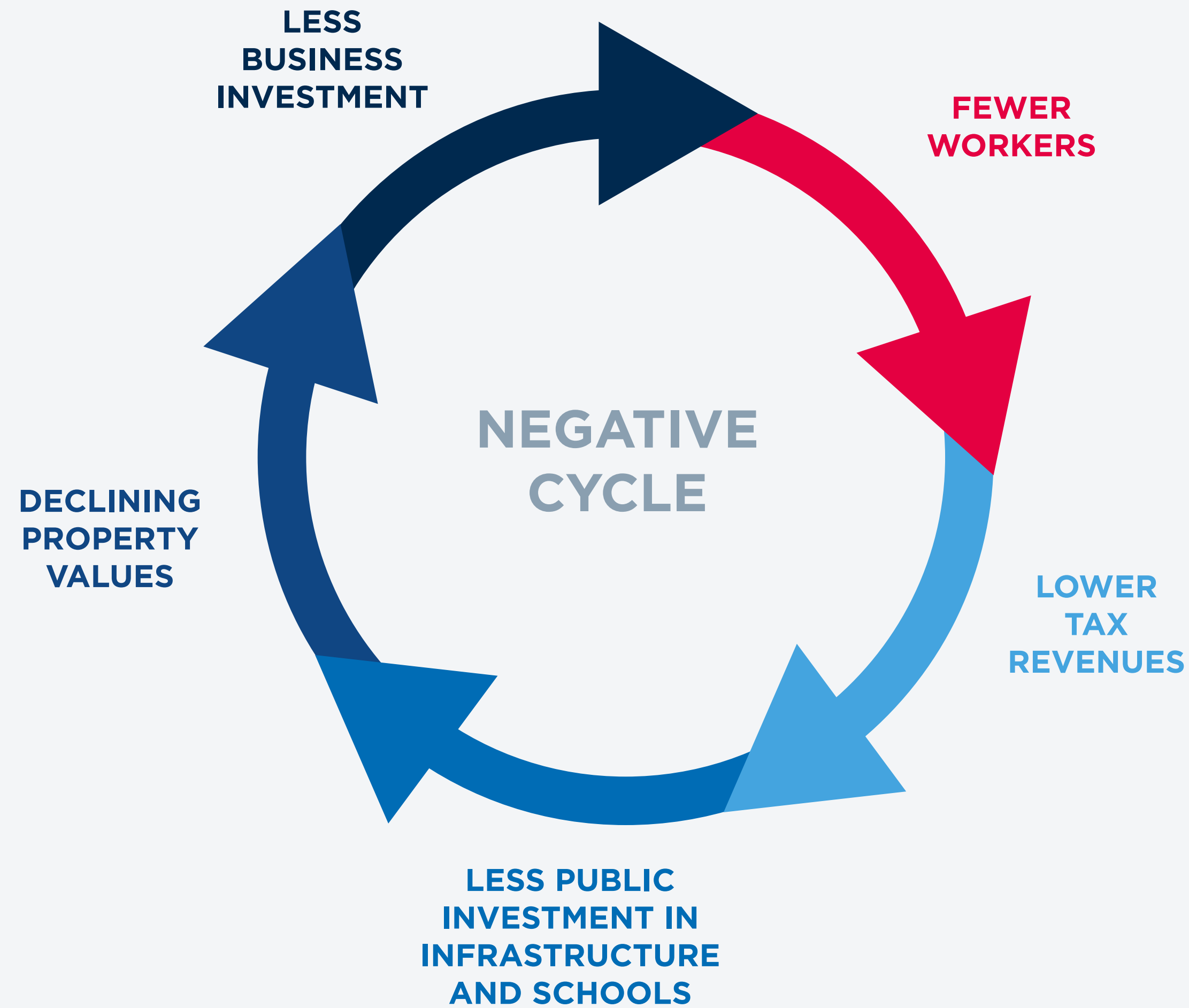
“

Immigrants are already playing a valuable role helping Pennsylvania meet some of its healthcare workforce gaps. In 2016 nearly one in four physicians in Pennsylvania graduated from a foreign medical school, a likely sign they were born elsewhere.¹⁵

”

- THE CONTRIBUTIONS OF NEW AMERICANS IN PENNSYLVANIA, NEW AMERICAN ECONOMY REPORT

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



PENNSYLVANIA'S POPULATION IS AGING. WHO IS GOING TO PAY FOR IT?

"The annual cost of providing senior programs is increasing more than twice as quickly as the revenue sources that fund them, according to the state's Independent Fiscal Office. The increased demand and costs also will come as seniors retire and stop paying state and local income taxes."¹⁶

BY LAURA MCCRYSTAL
JANUARY 15, 2018

The
**Philadelphia
Inquirer**

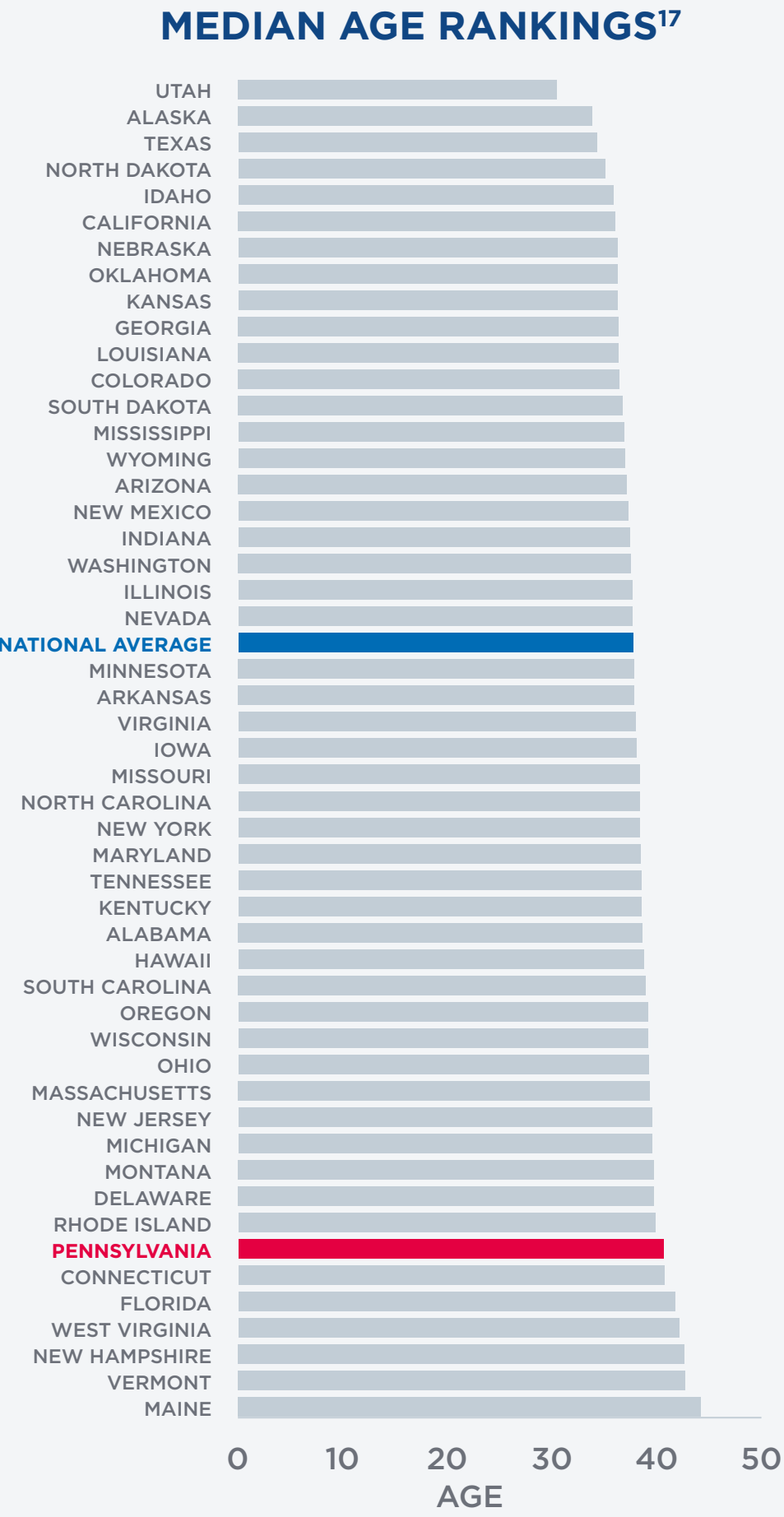
MAY 7, 2017
MARC LEVY

PA.'S BUDGET WOES WILL DEEPEN WITH AGING POPULATION



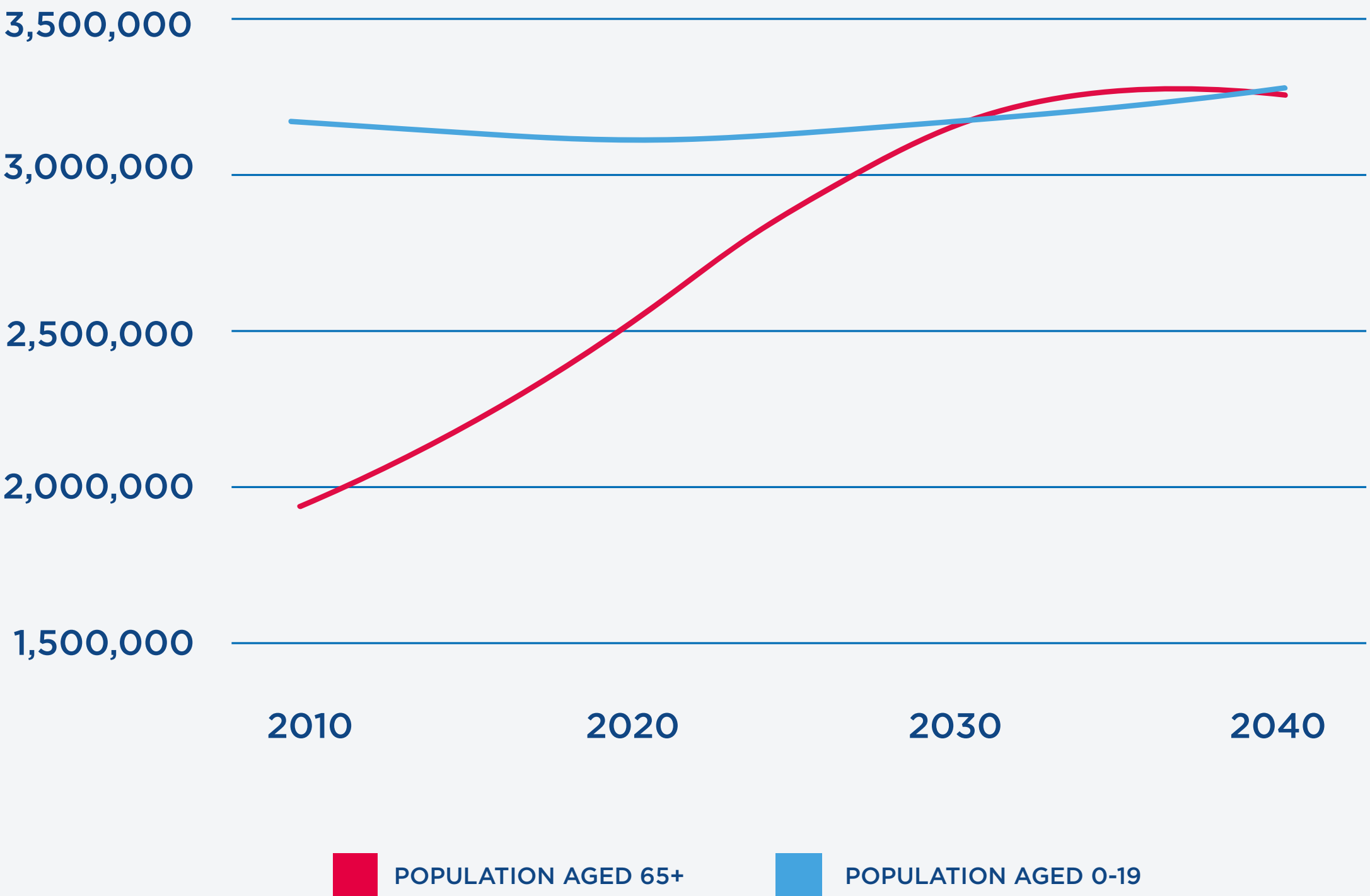
PENNSYLVANIA, ALREADY OLD, IS AGING FASTER THAN OTHER STATES

PENNSYLVANIA'S POPULATION IS ALREADY OLD



PENNSYLVANIANS ARE AGING FASTER

PENNSYLVANIA POPULATION AGED 0-19 & AGED 65+¹⁸

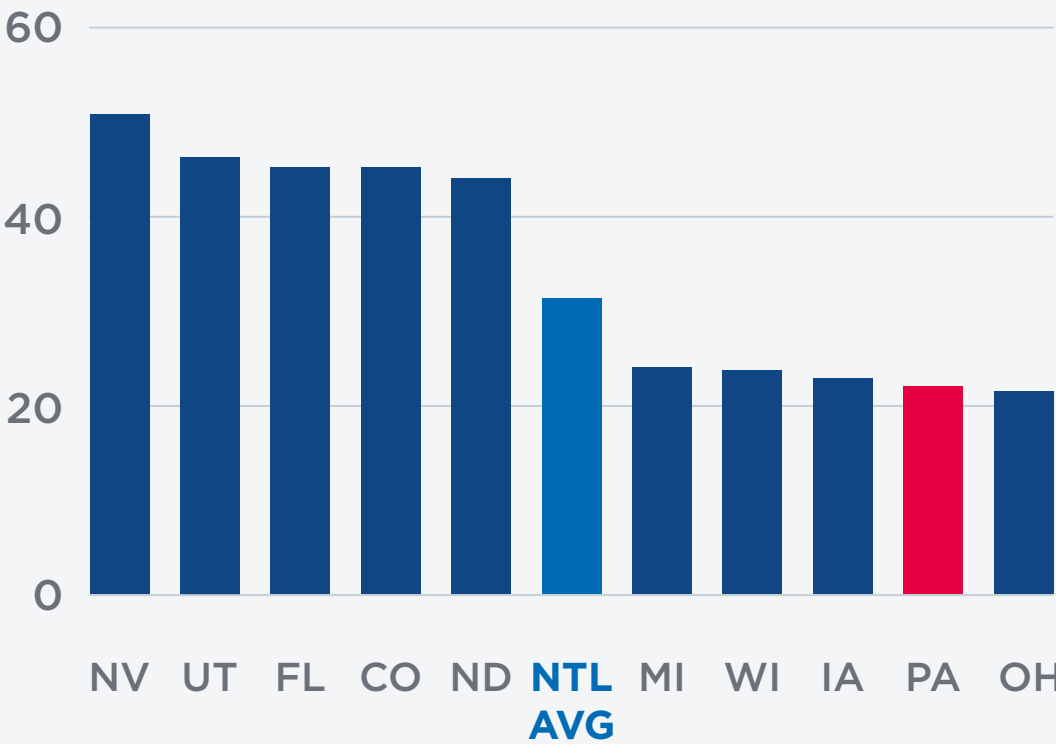


PENNSYLVANIA IS ENTERING A NEGATIVE CYCLE

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.

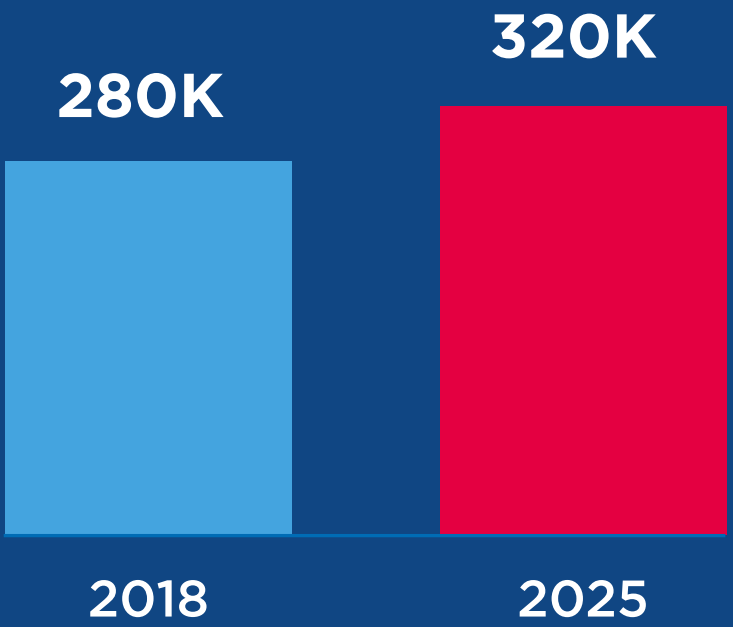


PENNSYLVANIA RANKS
#48

AGING INCREASES HEALTH CARE COSTS

As Pennsylvania ages, the cost of caring for its population will increase. The greatest risk factor for developing Alzheimer's is old age. In 2018, Medicaid costs associated with caring for people with Alzheimer's added up to more than \$3.4B.²⁰

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



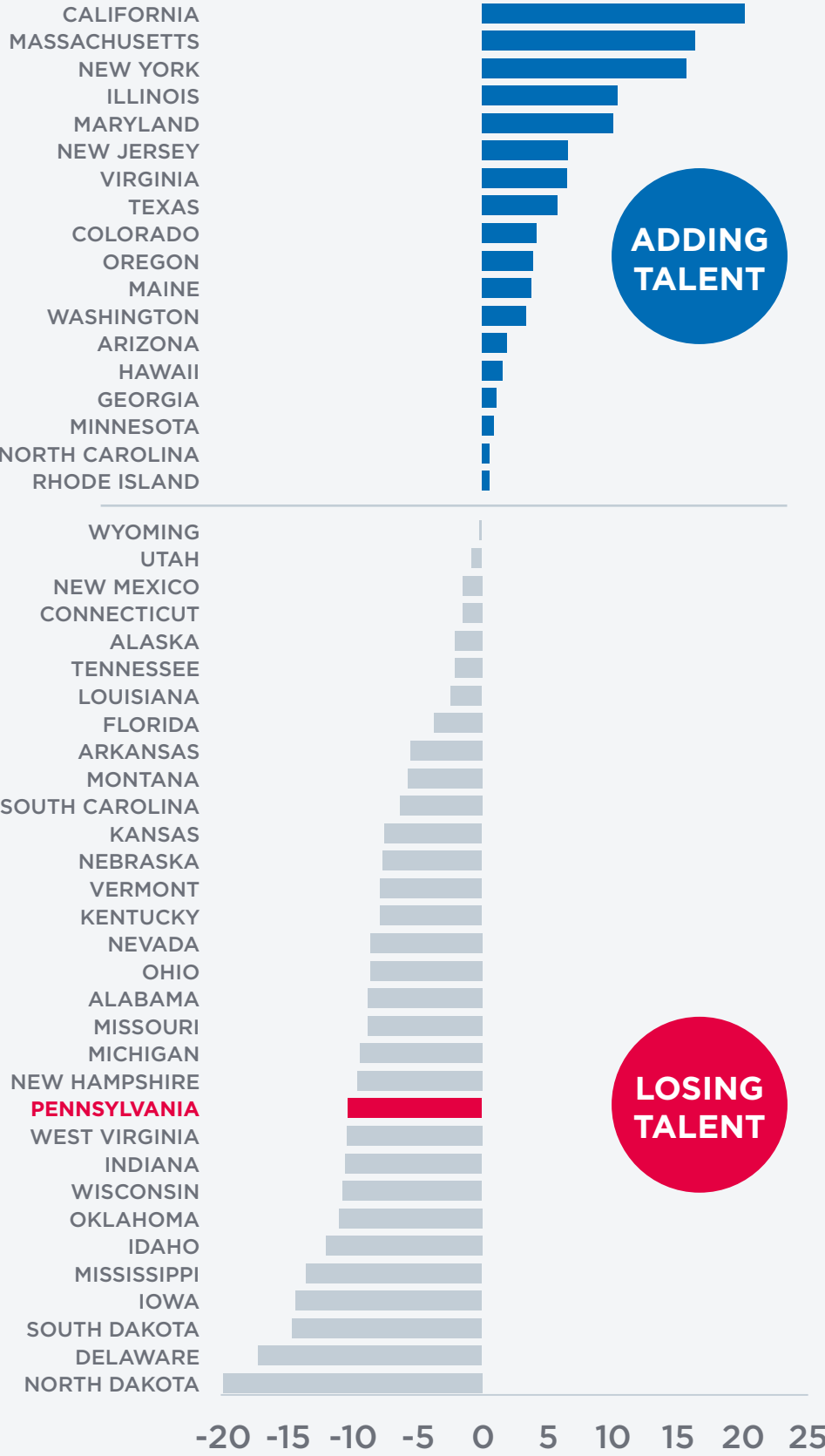
SEPTEMBER 8, 2019
DENISE ALLABAUGH

CHANGING HEALTH CARE FOR THE AGING POPULATION

THE CITIZENS' VOICE

PENNSYLVANIA IS LOSING YOUNG TALENT

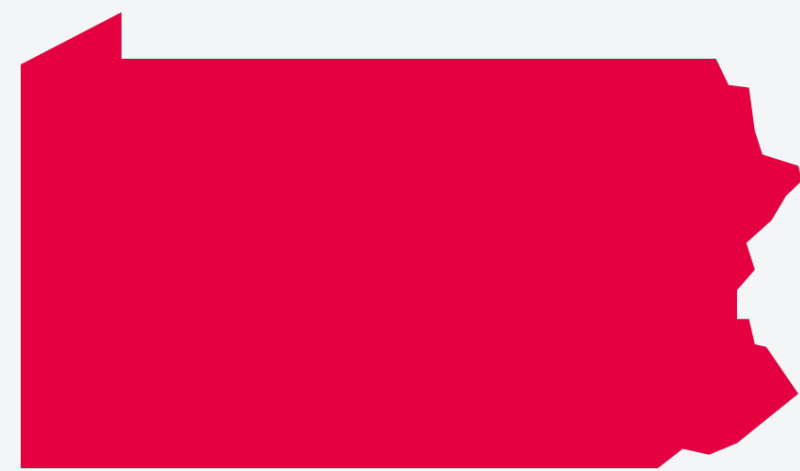
BRAIN DRAIN (GAP IN PERCENT OF HIGHLY EDUCATED BETWEEN ENTRANTS AND LEAVERS)²²



IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE IN PENNSYLVANIA

RECENT IMMIGRANTS ALREADY CONTRIBUTE \$1.9 BILLION TO PENNSYLVANIA EACH YEAR²³

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



+\$1.9B
PENNSYLVANIA

IMMIGRANTS START NEW BUSINESSES²⁴

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

**MORE THAN
57,000
IMMIGRANT
ENTREPRENEURS**

across Pennsylvania

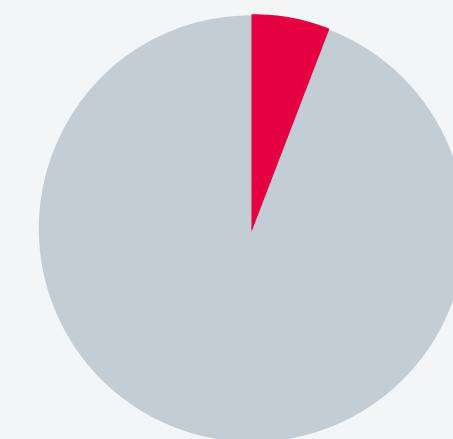
**HAVE CREATED
189,000
NEW JOBS**

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

IMMIGRANTS CAN HELP FILL THE HEALTH CARE LABOR GAP

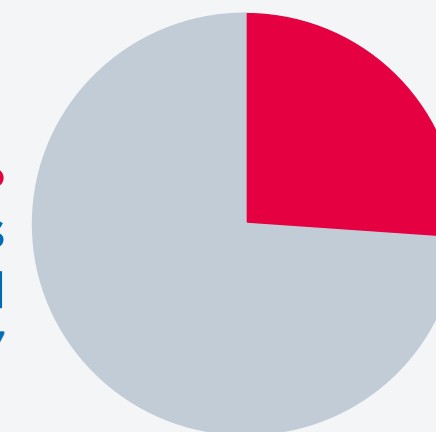
There is a shortage of doctors in the U.S., which will only get worse as our population ages. In 2014, there were 4.2 open health care jobs for every one unemployed health care worker in Pennsylvania.²⁶

IMMIGRANTS MAKE UP A LARGE SHARE OF DOCTORS



Even though immigrants represent **6%** of Pennsylvania's population...

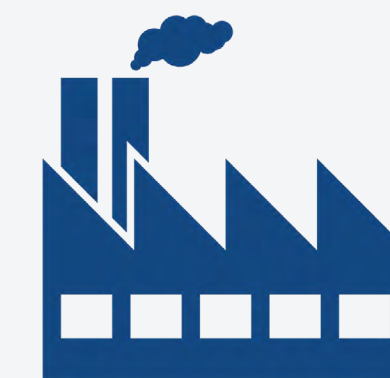
...they make up **26%** of Pennsylvania's physicians and surgeons.²⁷



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

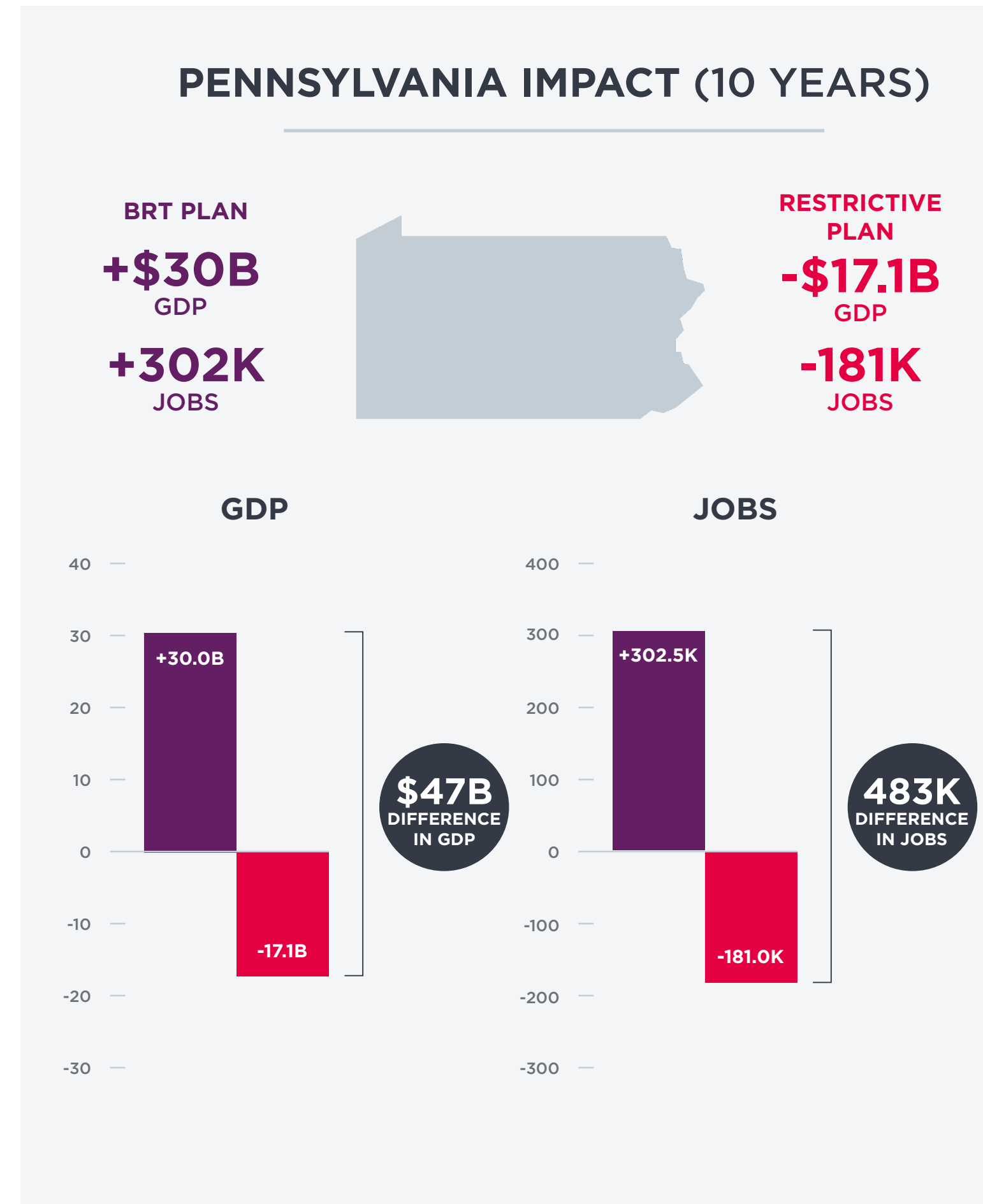
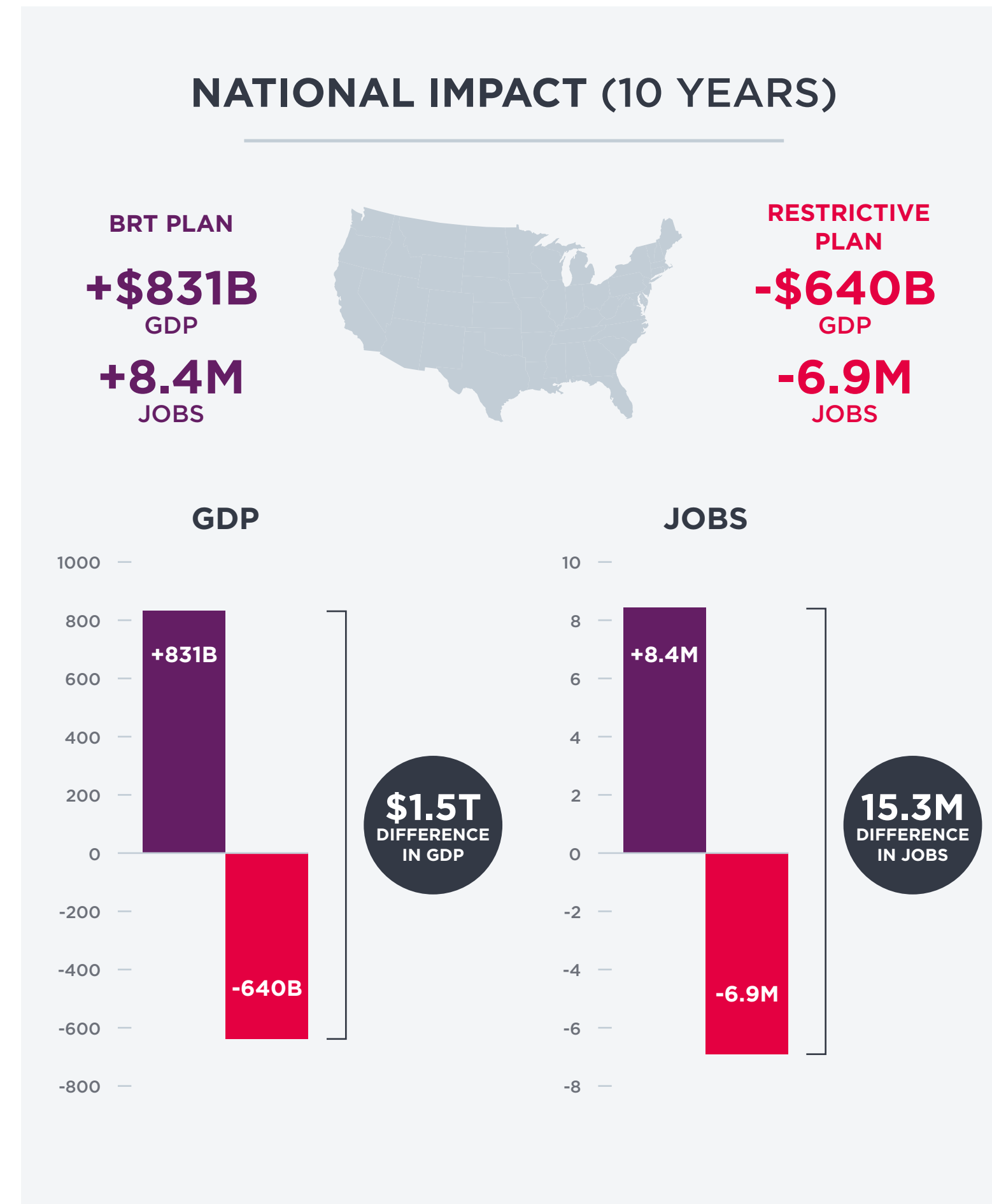
730K
IMMIGRANT RESIDENTS
OF PENNSYLVANIA
IN 2010



CREATED OR
PRESERVED MORE
THAN
33K
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 -- but particularly in Pennsylvania.³⁰



“ Immigration affects every sector. Ending the DACA program is not only devastating for thousands of young Pennsylvanians, who know this country as their only home, but will have devastating consequences for the economy.³¹ ”

- NICOLE PUMPHREY
DIRECTOR OF STRATEGIC PARTNERSHIPS,
WELCOMING CENTER

COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

ITALY



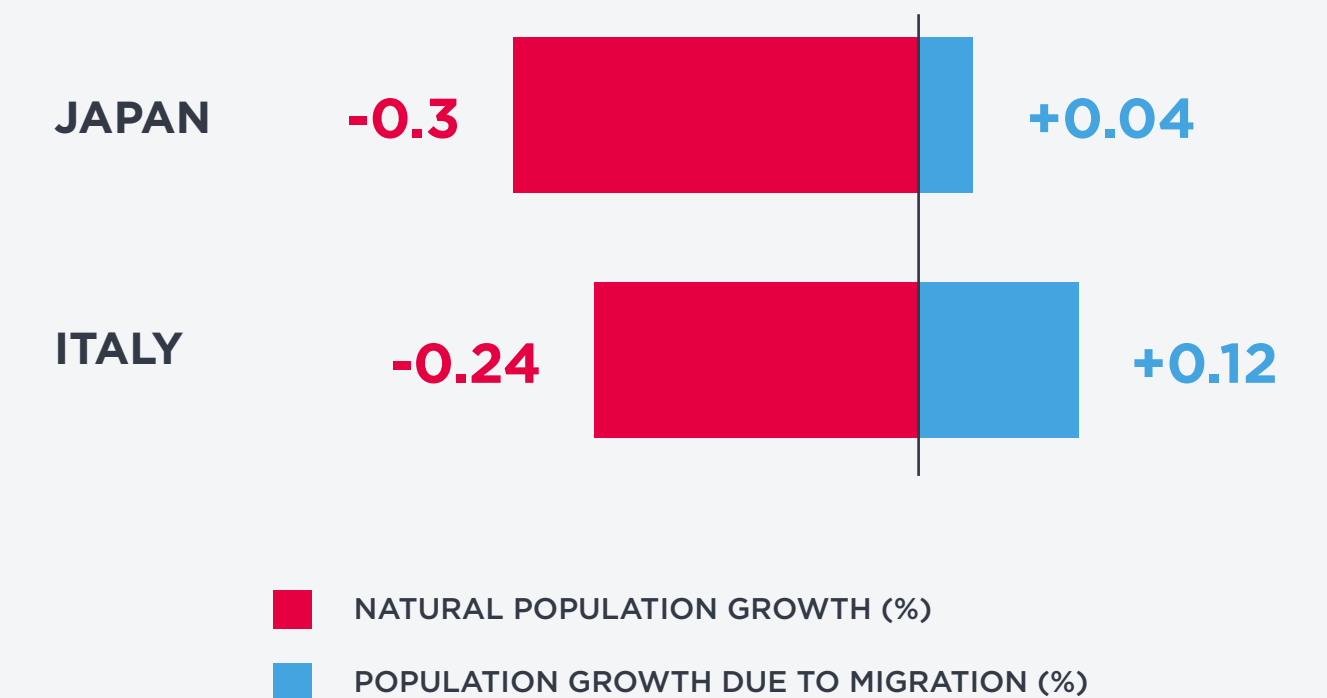
The OECD predicts that Italy's public debt to GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.³²

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

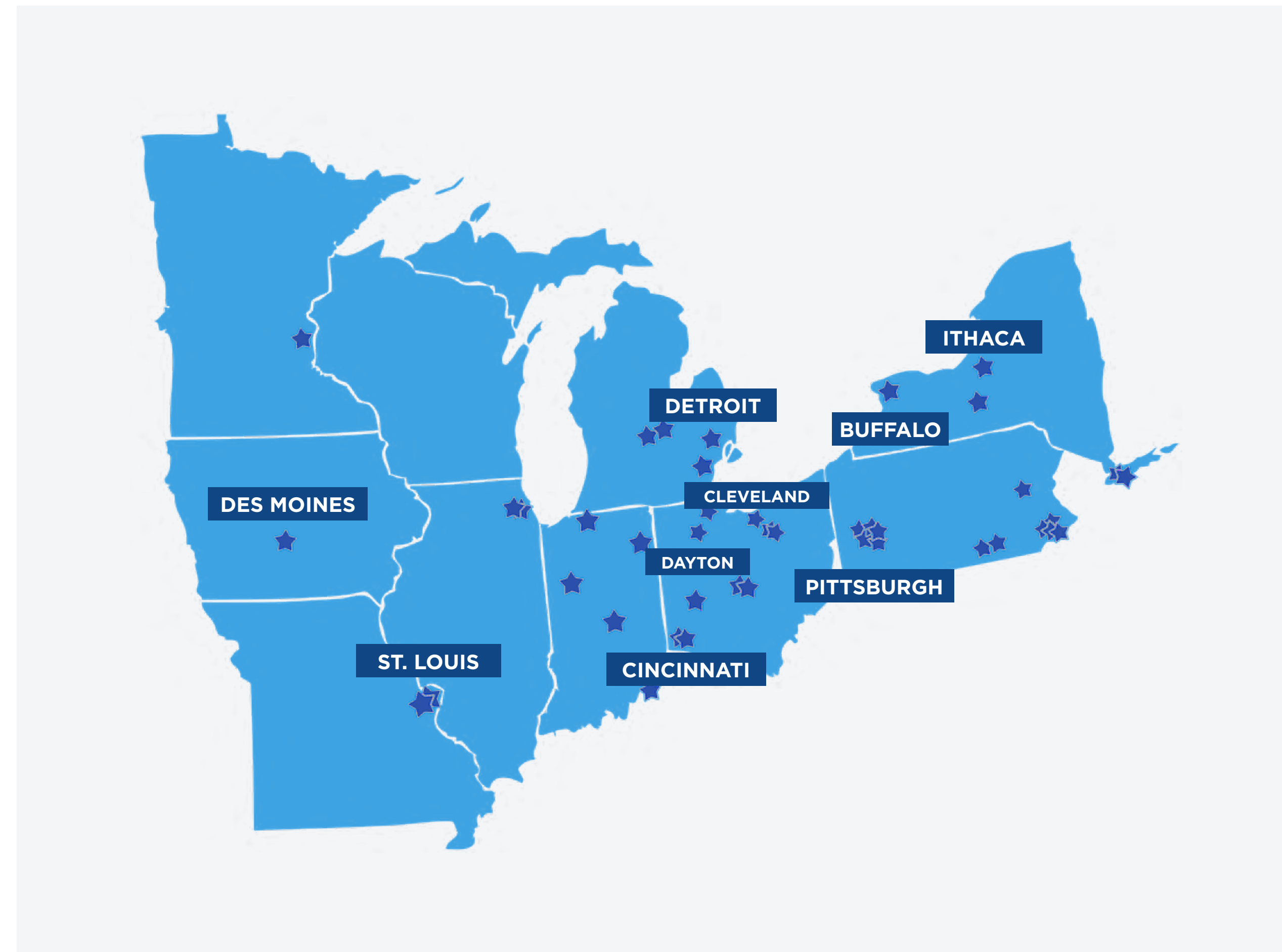
POPULATION GROWTH BASED ON UN ESTIMATES, 2019³⁴



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

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. Welcoming Economies Global Network is a regional network of organizations across the Midwest.³⁵



Mayor William Peduto established Welcoming Pittsburgh in 2014. Its purpose is to help implement a comprehensive immigrant integration plan that was proposed by an advisory body of 40 leaders from various sectors and 3,000 community members. Among its various goals, the plan aims to attract 20,000 new residents, increase civic engagement among immigrants, and attract and retain international students.³⁶

“

Pittsburgh's history is marked by the contributions of immigrants - from Thomas Mellon, to Andrew Carnegie, to thousands who worked in the mills and mines, fueling the engine of Pittsburgh's booming and steel industries.³⁷

”

- MAYOR WILLIAM PEDUTO

ENDNOTES

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