

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

DOMINGO ARREGUIN GOMEZ,

Plaintiffs,

v.

DONALD J. TRUMP, President of the United
States of America et al.,

Defendants.

Civil Action No. 1:20-cv-01419

DECLARATION OF GIOVANNI PERI

I, Giovanni Peri, hereby submit this declaration pursuant to 28 U.S.C. § 1746 and declare as follows:

1. I am a Professor of Economics at the University of California, Davis. I chaired the Economics Department from 2015 to 2019. I founded the UC Davis Global Migration Center, an interdisciplinary research group focusing on international migrations, and I continue to serve as its Director.

2. My research focuses on labor economics with a specific emphasis on the economics of international migration. I have published hundreds of academic papers and my collective body of research has been cited tens of thousands of times. I am also the Editor of the *Journal of the European Economic Association* and serve on the editorial boards of several other academic journals in economics.

3. I hold a Ph.D. in Economics from the University of California, Berkeley and a Doctoral Degree in Economics from Bocconi University, Milano. I have been a Senior Fellow at the Brookings Institution from 2014 to 2016, and a Visiting Scholar at the Federal Reserve Bank of

San Francisco in 2010. I am currently a Research Associate of the National Bureau of Economic Research.

4. I am familiar with Presidential Proclamation 10014, signed by President Trump on April 22, 2020, (the “April Proclamation”) and Presidential Proclamation 10052, signed by President Trump on June 22, 2020, as amended by Presidential Proclamation 10054, signed by President Trump on June 29, 2020 (the “June Proclamation,” and together with the April Proclamation, the “Proclamations”).

5. The April Proclamation suspended the entry of most immigrants to the United States, unless they met certain exceptions, for 60 days. It principally justified this entry suspension on the ground that “there is no way to protect already disadvantaged and unemployed Americans from the threat of competition for scarce jobs from new lawful permanent residents by directing those new residents to particular economic sectors with a demonstrated need not met by the existing labor supply.”

6. The June Proclamation has extended the April Proclamation’s entry suspension on immigrants through the end of this year, stating that there are “[in]sufficient means to protect unemployed Americans from the threat of competition for scarce jobs from new lawful permanent residents,” and that “the United States faces a potentially protracted economic recovery with persistently high unemployment if labor supply outpaces labor demand.”

7. The notion that inflows of immigrants threaten domestic jobs is contrary to the results of a very large body of established and accepted economic research, including my own. Such a view is rooted in a simplified, static model of labor demand and supply that assumes, erroneously, that immigration increases the supply of some workers while everything else in the economy remains fixed. In reality, however, the U.S. economy is dynamic, shedding and creating hundreds of

thousands of jobs every month. The most accurate way to gauge the net impact of immigration on such an economy is to analyze all the economic effects produced over time, including how firms and local economies respond to immigrant inflows by expanding, investing, adjusting product specialization, adopting efficient technologies, and creating new businesses. Data show that, on net, immigrants expand the U.S. economy's productive capacity, stimulate investment, increase aggregate demand and promote specialization that in the long run boosts productivity.¹ There is no evidence that these effects take place at the expense of jobs or wages for workers born in the United States.² In fact, extensive economic research shows that immigration strengthens the US economy in multiple ways.

8. My research over the past two decades has consistently shown that immigrants have no significant negative impact on overall employment levels of native-born United States workers;³

¹ See e.g., Giovanni Peri, Kevin Shih, & Chad Sparber, *STEM Workers, H-1B Visas, and Productivity in US Cities*, 33 J. OF LAB. ECON. S225 (2015), <http://giovanniperi.ucdavis.edu/uploads/5/6/8/2/56826033/stem-workers.pdf>; Giovanni Peri, *The effect of immigration on productivity: Evidence from U.S. states*, 94 Rev. of Econ. and Stats. 348 (2012).

² See Nat'l Acad. Of Scis., Eng'g., & Med., *The Economic and Fiscal Consequences of Immigration* 266 (The National Academies Press 2017) (“[M]any studies conclude that, economy wide, the impact of immigration on average wages and employment is small”); see also Giovanni Peri & Vasil Yasenov, *The Labor Market Effects of a Refugee Wave: Applying the Synthetic Control Method to the Mariel Boatlift* (Nat'l Bureau of Econ. Research, Working Paper No. 21801, 2015), <http://www.nber.org/papers/w21801>.

³ See e.g., Gianmarco Ottaviano & Giovanni Peri, *Rethinking the Gains from Immigration: Theory and Evidence from the U.S.* (Nat'l Bureau of Econ. Research, Working Paper No. 11672, 2005), <https://www.nber.org/papers/w11672.pdf>; Gianmarco Ottaviano & Giovanni Peri, *Immigration and national wages: Clarifying the theory and the empirics* (Nat'l Bureau of Econ. Research, Working Paper No. 14188, 2008), <https://www.nber.org/papers/w14188.pdf>; Gianmarco Ottaviano & Giovanni Peri, *Rethinking the effect of immigration on wages*, 10 J. OF THE EUR. ECON. ASSOC. 152 (2012) [hereinafter Ottaviano & Peri, *Rethinking*]; Ethan Lewis & Giovanni Peri, *Immigration and the Economy of Cities and Regions*, in *Handbook of Regional and Urban Economics* 625 (2015); Giovanni Peri, *Immigrants, productivity, and labor markets*, 30 J. OF ECON. PERSPECTIVES 3 (2016), <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.30.4.3>.

that high-skilled immigration in particular has a positive impact on employment and wages for United States workers;⁴ and that there has been a strong positive correlation between the growth of immigrants, as a share of the population, and the growth of wages paid to United States workers.⁵ Moreover, because overall immigration to the United States has become more concentrated among highly skilled workers from 2000 to 2020, the positive effects of immigration to the United States, and particularly the contribution of high-skilled workers, have become even more pronounced.⁶

9. *Immigrants have no significant negative impact on overall employment levels of native-born United States workers.* By systematically analyzing how immigrants affect total output, income per worker, and employment over short and long time horizons, I have found that the economy absorbs immigrants by expanding job opportunities and increasing the number of firms rather than by displacing United States workers.⁷ A fifty-state empirical analysis of nearly five decades of data reveals that immigrants have a one-for-one impact on total employment, *i.e.*, each

⁴ Giovanni Peri, Kevin Shih, & Chad Sparber, *Foreign STEM Workers and Native Wages and Employment in U.S. Cities* (Nat'l Bureau of Econ. Research, Working Paper No. 20093, 2014), http://www.nber.org/papers/w20093.pdf?new_window=1, Ottaviano & Peri, Rethinking, *supra* note 3.

⁵ Giovanni Peri & Vasil Yassenov, *Immigration in local US economies was associated with strong native wage growth for 40 years*, Global Migration Center, Mar. 2020, <https://globalmigration.ucdavis.edu/immigration-local-us-economies-was-associated-strong-native-wage-growth-40-years>.

⁶ Giovanni Peri, *20 Years of Declining Immigration and the Disappearance of Low Skilled Immigrants*, Global Migration Center, Mar. 2020, <https://globalmigration.ucdavis.edu/20-years-declining-immigration-and-disappearance-low-skilled-immigrants>; Peri, Shih, & Sparber, *supra* note 1.

⁷ Giovanni Peri, *The Effect Of Immigration On Productivity: Evidence From U.S. States* (Nat'l Bureau of Econ. Research, Working Paper No.15507, 2009), <https://www.nber.org/papers/w15507>.

immigrant increases employment by one unit, without “crowding out” any native-born workers; immigrants therefore increase the size of the local economy and do not compete for jobs with native-born workers.⁸ The same research also shows that immigrants have a significant, positive effect on the total factor productivity of states, which drives a significant positive effect by immigration on gross state product (*i.e.*, a state’s output) per worker.⁹ There is no evidence that immigrants crowd out U.S.-born workers in either the short or the long run. Data on U.S.-born worker employment from 1960 to the present imply at most small effects, with estimates never statistically different from zero.¹⁰

10. In addition, statistical analysis of state-level data shows that the presence of immigrants is associated with increased output per worker because immigrants stimulate investment and firm growth and promote specialization.¹¹ It is a well-documented phenomenon that among both less- and more-educated workers, U.S.-born workers and immigrants tend to take different occupations,

⁸ *Id.* (finding that immigrants do not crowd-out employment of (or hours worked by) native-born workers, but simply add to total employment; that immigrants increase total factor productivity significantly; and that such efficiency gains are unskilled-biased, *i.e.*, larger for less educated workers).

⁹ *Id.*

¹⁰ Giovanni Peri, *The Effect of Immigrants on U.S. Employment and Productivity*, FRBSF Economic Letter, Federal Reserve Bank of San Francisco, Aug. 30, 2010, <https://www.frbsf.org/economic-research/publications/economic-letter/2010/august/effect-immigrants-us-employment-productivity/> [hereinafter Peri, Economic Letter]; The Nat’l Acad. Of Scis., Eng’g., and Med., *The Economic and Fiscal Consequences of Immigration*, section 5.7 (“[W]hen measured over a period of more than 10 years, the impact of immigration on the wages of natives overall is very small.”); *id.* (“Most studies find little effect on immigration on the employment of natives.”).

¹¹ Giovanni Peri & Chad Sparber, *Task Specialization, Immigration & Wages*, 1 AM. ECON. J.: APPLIED ECON. 135 (2009) [hereinafter Peri & Sparber, *Immigration & Wages*]; Nat’l Acad. Of Scis., Eng’g., and Med., *supra* note 1 at 264 (“[Immigrants influence the rate of innovation in the economy . . . more specifically, high-skilled immigrants raise patenting per capita, which is likely to boost productivity and per capita economic growth.”).

and even specialize in different job tasks within the same industries and specific businesses.¹² My research demonstrates, for example, that when immigration of less-educated, foreign-born workers increases the supply of manual labor, native-born workers specialize and find not only employment, but also higher wages, in occupations more intensive in language skills and less intensive in physical skills.¹³ This results in specialization and productive complementarities, which ultimately produces efficiency and productivity gains and boosts income per worker.¹⁴ I have found that total immigration in the United States from 1990 to 2007 was associated with a 6.6 to 9.9 percent increase in real income per worker.¹⁵

11. *High-skilled immigration has a positive impact on employment and wages for U.S. workers.* It is well established that technological progress is a key driver of productivity growth and ultimately of economic growth. Because immigrants in recent decades have become more concentrated in technology-related occupations requiring high education and skill levels, they have contributed to productivity efficiency gains in the United States by increasing innovation per capita, thus boosting economic growth per capita.¹⁶ I have found, for example, that “a 1 percentage

¹² Peri & Sparber, *Immigration & Wages*, *supra* note 11.

¹³ *Id.* (finding that a one percentage-point increase in the foreign-born share of less-educated workers is associated with a 0.34 percent increase in the relative supply of communication versus manual tasks among native-born workers, and that this relative increase is primarily achieved through a rise in the supply of language skills, rather than a fall in the supply of native-born physical labor).

¹⁴ Ethan G. Lewis, *Immigrant-Native Substitutability: The Role of Language Ability* (Nat'l Bureau of Econ. Research, Working Paper No. 17609, 2011), <https://www.nber.org/papers/w17609>; Peri, *Economic Letter*, *supra* note 10.

¹⁵ *Id.*

¹⁶ Sari Pekkala Kerr, William Kerr, Caglar Özden & Christopher Parsons, *Global Talent Flows*, 30 J. OF ECON. PERSPECTIVES 83 (2016)

point increase in the foreign STEM share of a city's total employment increased the wage growth of native college-educated labor by about 7-8 percentage points and the wage growth of non-college educated natives by 3-4 percentage points."¹⁷ These figures indicate that STEM workers spur economic growth by increasing productivity, especially that of college educated workers.

12. My research has also revealed that high-skilled immigration has a positive impact on the wages and employment of both college-educated and less-educated United States workers for multiple reasons. First, as already noted, high-skilled immigrants are significant innovators which leads to job creation and job improvement.¹⁸ Second, high-skilled immigrants often complement rather than compete with high-skilled US workers, and they boost the productivity of native-born Americans on the local level when their skills differ from those of native-born Americans.¹⁹ For

<https://www.aeaweb.org/articles?id=10.1257/jep.30.4.83>; *see also* Nat'l Acad. Of Scis., Eng'g., and Med., *supra* note 1 at 279.

¹⁷ Peri, Shih, & Sparber, *supra* note 1.

¹⁸ *Id.*; Jennifer Hunt & Marjolaine Gauthier-Loiselle, *How Much Does Immigration Boost Innovation?*, 2 AM. ECON. J. 31 (2010), <https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.2.2.31>; Shai Bernstein, Rebecca Diamond, Timothy James McQuade, & Beatriz Pousada, *The Contribution of High-Skilled Immigrants to Innovation in the United States*, Stanford Graduate School of Business, <https://www.gsb.stanford.edu/faculty-research/working-papers/contribution-high-skilled-immigrants-innovation-united-states>; William Kerr & William F. Lincoln, *The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention*, 28 J. OF LAB. ECON. 473 (2010), <https://www.jstor.org/stable/10.1086/651934> (a ten percent increase in H-1B admissions is associated with 3 percent higher growth in patenting rates for H-1B dependent firms).

¹⁹ Giovanni Peri, *Immigrants' Complementarities and Native Wages: Evidence from California* (Nat'l Bureau of Econ. Research, Working Paper No. W12956, 2016), <http://www.nber.org/papers/w12956.pdf> [hereinafter Peri, *Immigrants' Complementarities*]; Giovanni Peri & Chad Sparber, Giovanni Peri & Chad Sparber, *Highly Educated Immigrants and Native Occupational Choice*, 50 Indus. Rel.: A J. OF ECON. & SOC. 385 (2011), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1874552; Lewis & Peri, *supra* note 3; *see also* Gaurav Khanna, *The IT Boom and Other Unintended Consequences of Chasing the American Dream*, SSRN (2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2968147 (finding that Indian information technology (IT) workers on the H-1B visa increased the wages of American workers by \$431 million in 2010).

example, high-skilled immigrants are more likely to work in tech, while high-skilled US workers are more likely to work in communications.²⁰ Finally, high-skilled immigrants create “spillover” effects that improve productivity, through their interactions with United States workers and the technologies they create that increase efficiency.²¹

13. *There has been a strong positive correlation between the local growth of immigrants, as a share of the population, and the growth of wages paid to U.S. workers.* Although immigration into the United States as a whole has declined over the past decade, there has nevertheless been large variation in the immigrant population in cities and states across the United States. My research has revealed that for approximately the past four decades, from 1980 to 2018, a local growth in the immigrant population has correlated with an increase in weekly wages across the labor markets in those localities—including both in the pre-recession years of 2000-2008 and throughout the recession and recovery of 2008-2018.²² In other words, cities with larger-than-average immigration rates experienced faster growth in the wages of native-born workers, while cities that had lower-than-average immigration rates (including cities with declining immigrant populations) experienced slower growth and/or declines in the wages of native-born workers.

14. Contrary to the frequently heard claims that immigrants depress wages and otherwise disadvantage United States workers, the net association between immigration and native wages

²⁰ Peri & Sparber, *Immigration & Wages*, *supra* note 11; Peri, *Immigrants’ Complementarities*, *supra* note 19.

²¹ Nat’l Acad. Of Scis., Eng’g., and Med., *supra* note 1 at 254 (describing “spillover effects whereby technological progress is spurred through the creation and diffusion of knowledge and innovation”); *Id.* at 302 (“higher-skilled workers and inventors can generate knowledge spillover effects that enhance knowledge formation and the productivity of lower-skilled workers with whom they interact in production and job training.”).

²² Peri & Yasenov, *supra* note 5.

has been very stable and positive, for each decade of the past forty years. Higher immigration has systematically gone hand in hand with higher economic success for native workers.

15. Immigrants play an additional important role during economic recessions. As they have significant higher internal mobility than the natives in the US, they tend to leave areas of low employment, especially during economic recession. Because foreign-born workers are more likely to make earnings-sensitive decisions to move towards areas where there is job creation, they reduce the unemployment in depressed areas and help fuel the employment growth in growing areas.²³

16. *Because overall immigration to the United States has declined and become more concentrated among highly skilled workers from 2000 to 2020, the positive effects of immigration to the United States, and particularly the contribution of high-skilled workers, have become even more pronounced.* There has been a significant recent decline in total net immigration relative to a period of peak immigration in the 1990s, and immigration has slowed as a driver of growth in the United States working-age population (ages 18-65).²⁴ In the 1990s, immigration was responsible for a 0.65 percent increase in the working-age population each year, but its contribution has declined by more than 60 percent to constitute only a 0.22 percent yearly growth over the 2010-2018 period.²⁵ As part of this decline, the net immigration rate among less-educated, low-skilled individuals has declined substantially since 2000. In the last decade, the net immigration of low-skilled workers has actually been negative (*i.e.*, more people in this category are leaving the United States than entering): the group of workers with no high school degree has

²³ Brian C. Cadena and Brian K. Kovak, *Immigrants Equilibrate Local Labor Markets: Evidence from the Great Recession*, 8 AM. ECON. J.: APPLIED ECON. 257 8 (2016).

²⁴ Peri, *supra* note 6.

²⁵ *Id.*

shrunk in the 2010-2018 period by 0.5 percent per year because of the net outflow of that group from the United States.²⁶

17. The net immigration rate of highly educated, highly skilled workers, however, has *increased*, continuing to grow at a rate of 0.5 percent per year or more, thanks to net immigration.²⁷ As noted above, my research, as well as multiple other empirical studies, has shown that increased immigration of such workers have had a significant positive impact on U.S. jobs and wages.²⁸ Foreign skilled workers play a crucial role in increasing productivity and innovation, and hence, in the long-run growth of the economy.

18. The coronavirus has certainly caused a recession due to the collapse of sectors like hospitality, travel, and recreation; stay-at-home orders; and economic uncertainty. But none of these factors is related to immigration, which has also decreased significantly.²⁹ Moreover, layoffs

²⁶ *Id.*

²⁷ *Id.*

²⁸ Peri, Shih, & Sparber, *supra* note 4 (finding that a rise in the growth of foreign STEM by one percentage point of total employment increase growth in the wages of native college educated workers by a statistically significant 7-8 percentage points, and of wages of non-college educated workers by 3-4 percentage points); Peri, Shih, & Sparber, *supra* note 1; Giovanni Peri, Kevin Shih, & Chad Sparber, *Foreign and Native Skilled Workers: What Can We Learn from H-1B Lotteries?* (Nat'l Bureau of Econ. Research, Working Paper No. 21175, 2015), <https://www.nber.org/papers/w21175>; *see also* Kerr, *supra* note 16; Nat'l Acad. Of Scis., Eng'g., and Med., *supra* note 1 at 279. *See, e.g.*, Giovanni Peri, *Do Immigrant Workers Depress the Wages of Native Workers?*, IZA Inst. Of Labor Econ. (May 2016), <http://wol.iza.org/articles/do-immigrant-workers-depress-the-wages-of-native-workers>.

²⁹ Compare, e.g., U.S. Department of State – Bureau of Consular Affairs, U.S. Dep't of State, *Immigrant Visa Issuances By Foreign State of Chargeability or Place of Birth, March 2019 (FY2019)*, <https://tinyurl.com/yxz4f8cn> (37,618 immigrant visas issued by the State Department in March 2019); with *Immigrant Visa Issuances by Foreign State of Chargeability or Place of Birth*, U.S. Dep't of State, *Immigrant Visa Issuances By Foreign State of Chargeability or Place of Birth, March 2020 (FY2020)*, <https://tinyurl.com/y6fgvg6m> (24,383 immigrant visas issued by the State Department in March 2020).

and unemployment have affected both native-born workers and immigrants and other foreign-born workers. My research has found that immigrants are significantly overrepresented among “essential workers” who are considered to perform duties essential to the economy and society, and who are bearing the most extreme health risks during the global pandemic.³⁰ Essential industries such as health care, food provision, and logistics have a larger-than-average dependence on immigrants and foreign-born workers—and the economic and social contributions of these individuals during this period of crisis are particularly evident. While the proclamation exempts from the ban foreigners currently involved in essential services, it increases uncertainty in visa processing because it is unclear whether and when workers will be granted an exception, which increases economic uncertainty for employers seeking to hire such workers. This uncertainty compounds the difficulties that U.S. employers are trying to manage, given that immigrant and non-immigrant visas for these essential workers are already limited in number, require significant and costly resource investment to sponsor, and are subject to slow processing times.³¹

19. My research has also shown that immigration has had virtually no effect on the national poverty level. Even in an analysis of “peak” immigration from 1990 to 2010, I could not find an increase in poverty rates, even for the most vulnerable, least-educated native-born population and with the most pessimistic parameter configuration, larger than one percent. Indeed, because of the positive effect of high skilled immigrants on the economy, immigration may have contributed to

³⁰ Giovanni Peri and Justin C. Wiltshire, *The Role of Immigrants as Essential Workers during the COVID-19 Pandemic*, The Global Migration Center (April 2020), <https://globalmigration.ucdavis.edu/role-immigrants-essential-workers-during-covid-19-pandemic>.

³¹ Giovanni Peri & Chad Sparber, *Presidential Executive Actions Halting High Skilled Immigration Hurt the US Economy*, The Global Migration Center (July 2020), <https://globalmigration.ucdavis.edu/presidential-executive-actions-halting-high-skilled-immigration-hurt-us-economy>.

the reduction of poverty in the period 2000-2010, which includes the Great Recession.³² My research found that immigration had a poverty-*reduction* effect between 0 and 0.51 percent for this time period.³³

20. By severely restricting immigration to the United States, particularly the immigration of high-skilled workers, the Proclamations will only serve to penalize the economic recovery.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on 07-30-2020 at Davis, CA.

A handwritten signature in black ink, appearing to read 'Giovanni Peri', with a stylized flourish at the end.

Giovanni Peri

³² Giovanni Peri, *The Impact of Immigration on Native Poverty through Labor Market Competition* (Nat'l Bureau of Econ. Research, Working Paper No. 17570, 2011), <https://www.nber.org/papers/w17570.pdf>.

³³ *Id.*