

A blue-tinted background image showing a person in the foreground with their hand raised, as if participating in a meeting or presentation. Other people are visible in the background, also in a professional setting.

OCTOBER 2019

# ANSWERING AMERICA

QUESTION 1: IS AMERICA FULL?

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**THE BUSINESS CASE  
AGAINST TRUMP'S AGENDA**



**BUSINESSFORWARD**  
FOUNDATION



# QUESTION 1: IS AMERICA FULL?

ANSWER: NO.

MOST COMMUNITIES ARE SHRINKING.  
WE'RE GETTING OLDER. WE NEED IMMIGRANTS.



Q1  
IMMIGRATION

THE  
ARGUMENT

THE U.S.  
HAS PLENTY

OUR REAL  
PROBLEM

SLOWING LABOR  
GROWTH

MIDWEST  
STATES

NEGATIVE  
CYCLE

BREAK THE  
NEGATIVE CYCLE

TRUMP'S  
POLICIES

COUNTRIES  
ON TRACK

STATES AND CITIES  
WELCOMING  
IMMIGRANTS

MICHIGAN  
CASE STUDY

ENDNOTES

# THE ARGUMENT

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

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.

4

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

5

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.<sup>1</sup>

”

- PRESIDENT DONALD TRUMP



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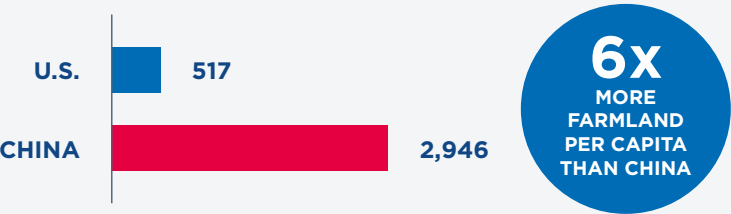
MICHIGAN  
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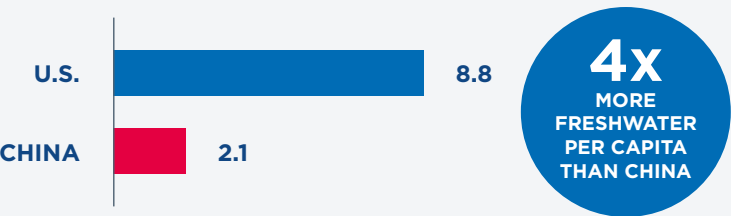
# THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

## FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE  
OF FARMABLE LAND<sup>2</sup>



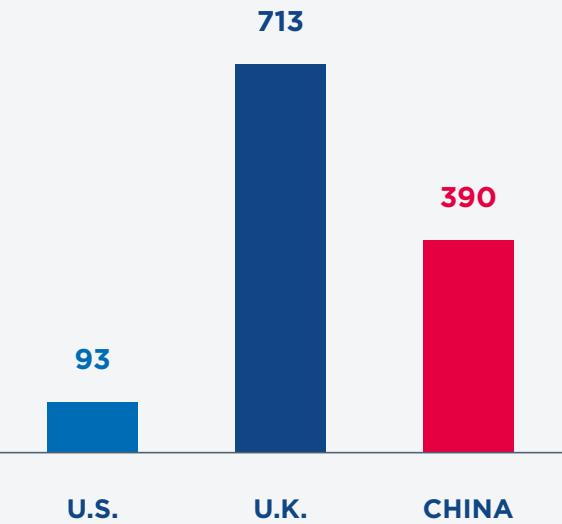
RENEWABLE INTERNAL FRESHWATER,  
PER CAPITA, IN THOUSANDS OF CUBIC METERS<sup>3</sup>



## 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.

PEOPLE PER SQUARE MILE<sup>4</sup>

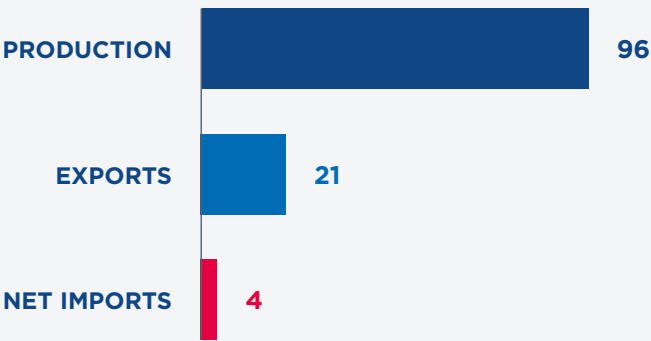


## U.S. FOOD PRODUCTION

THE U.S. EXPORTED  
**\$140 BILLION**  
IN AGRICULTURAL PRODUCTS PER YEAR.<sup>5</sup>

## U.S. ENERGY PRODUCTION

QUADRILLION BTUS, 2018<sup>6</sup>



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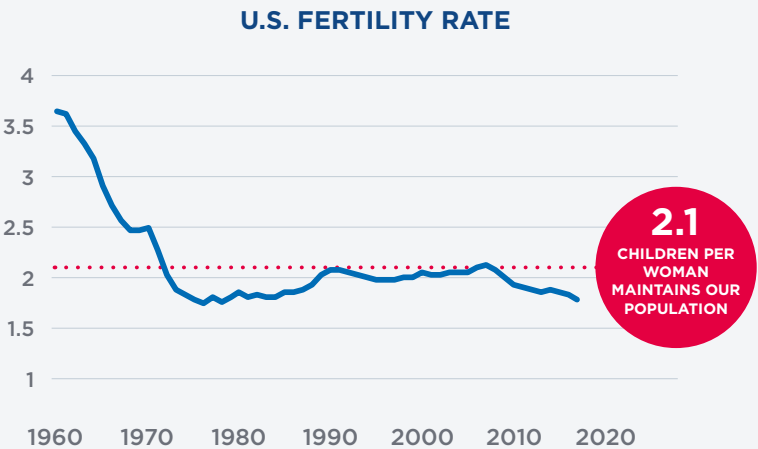
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# OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

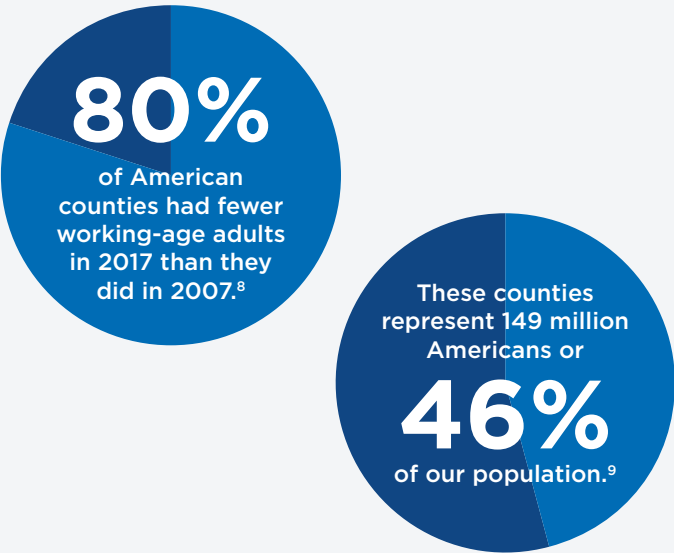
## AMERICANS ARE HAVING FEWER KIDS

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.<sup>7</sup>



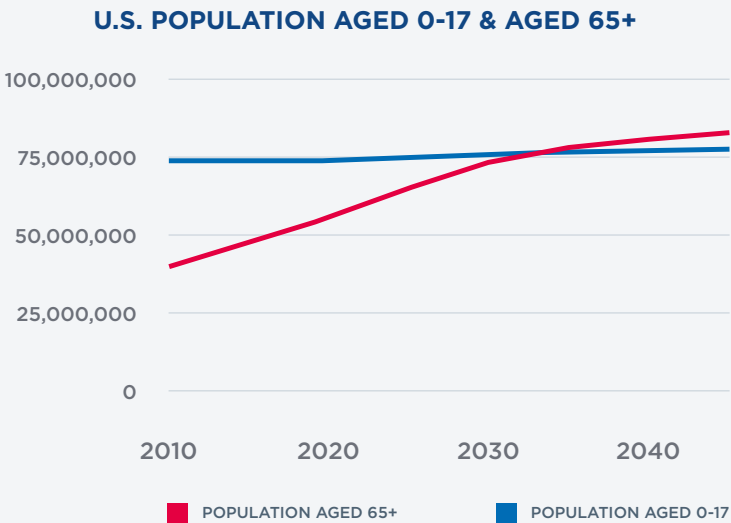
## AND THEY ARE MOVING TO LARGE CITIES

“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.<sup>10</sup>



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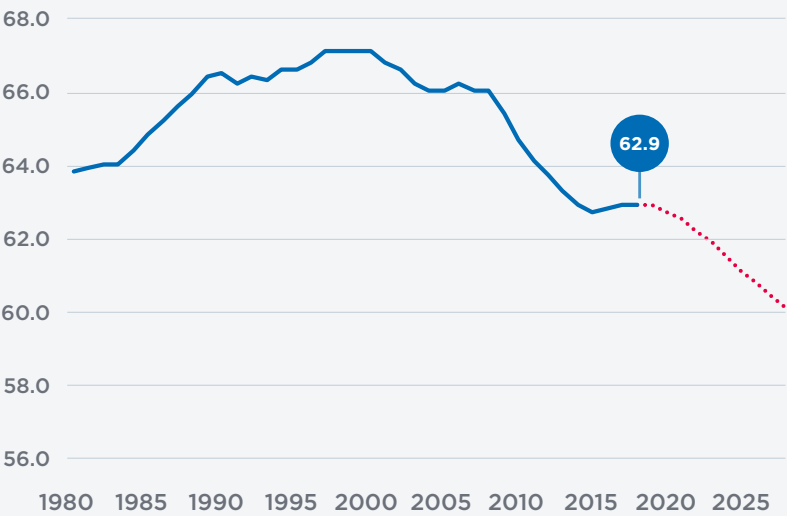
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# SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

## 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.

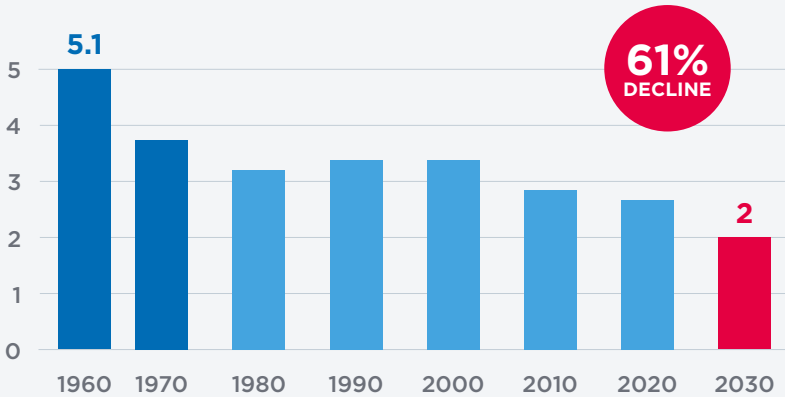
HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE<sup>11</sup>



## DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.<sup>12</sup>

NUMBER OF WORKERS SUPPORTING EACH SOCIAL SECURITY RETIREE



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

“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.<sup>13</sup>”

- BETH ANN BOVINO  
S&P GLOBAL



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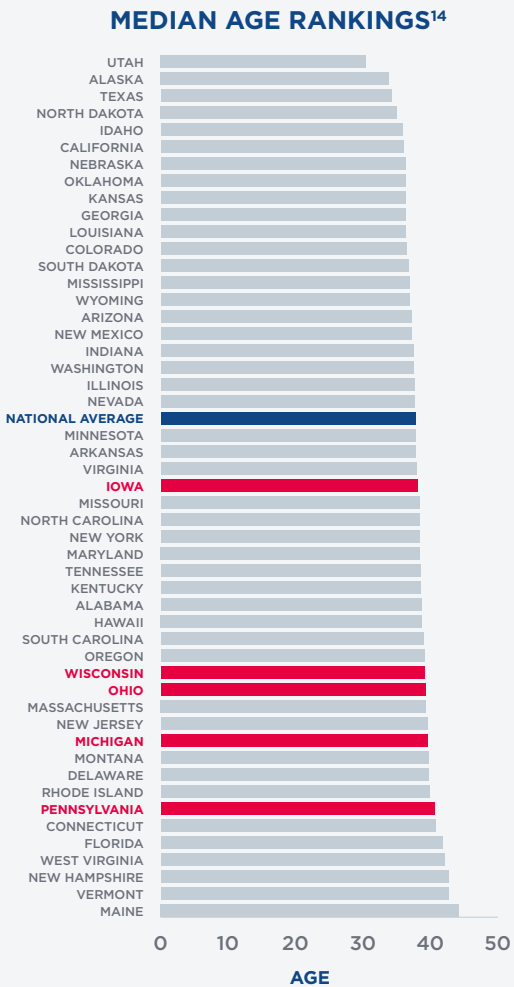
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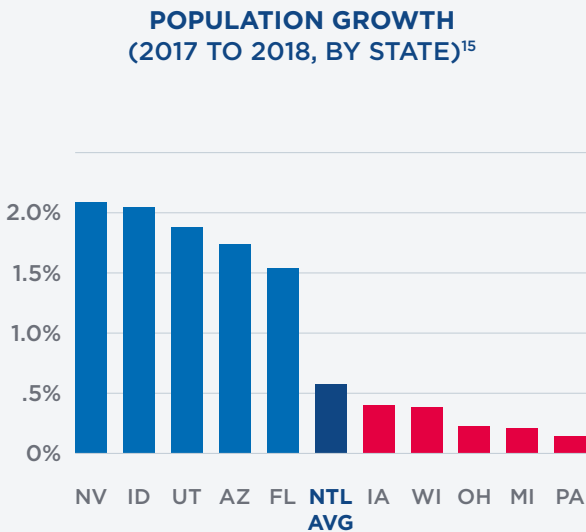


# MIDWEST STATES ARE AGING FASTER

## MIDWESTERN STATES ARE ALREADY OLD...



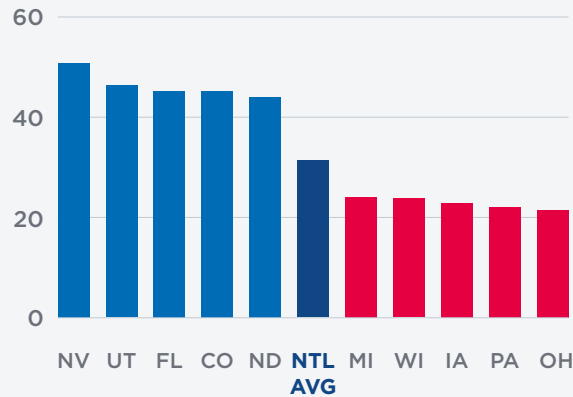
## THEY'RE AGING FASTER...



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

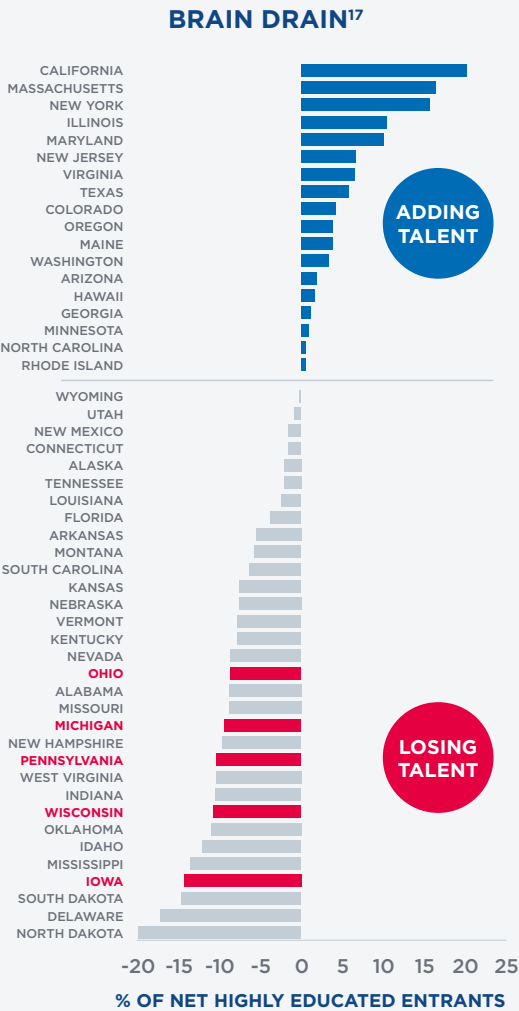
## WHICH SLOWS BUSINESS FORMATION AND JOB GROWTH...

**BUSINESS DYNAMISM RANKINGS, ECONOMIC INNOVATION GROUP (EIG)<sup>16</sup>**  
EIG's ranking reflects the rate of new business formation, frequency of labor market turnover, and the geographic mobility of the workforce.



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

## AND PUSHES HIGHLY EDUCATED PEOPLE TO LEAVE.



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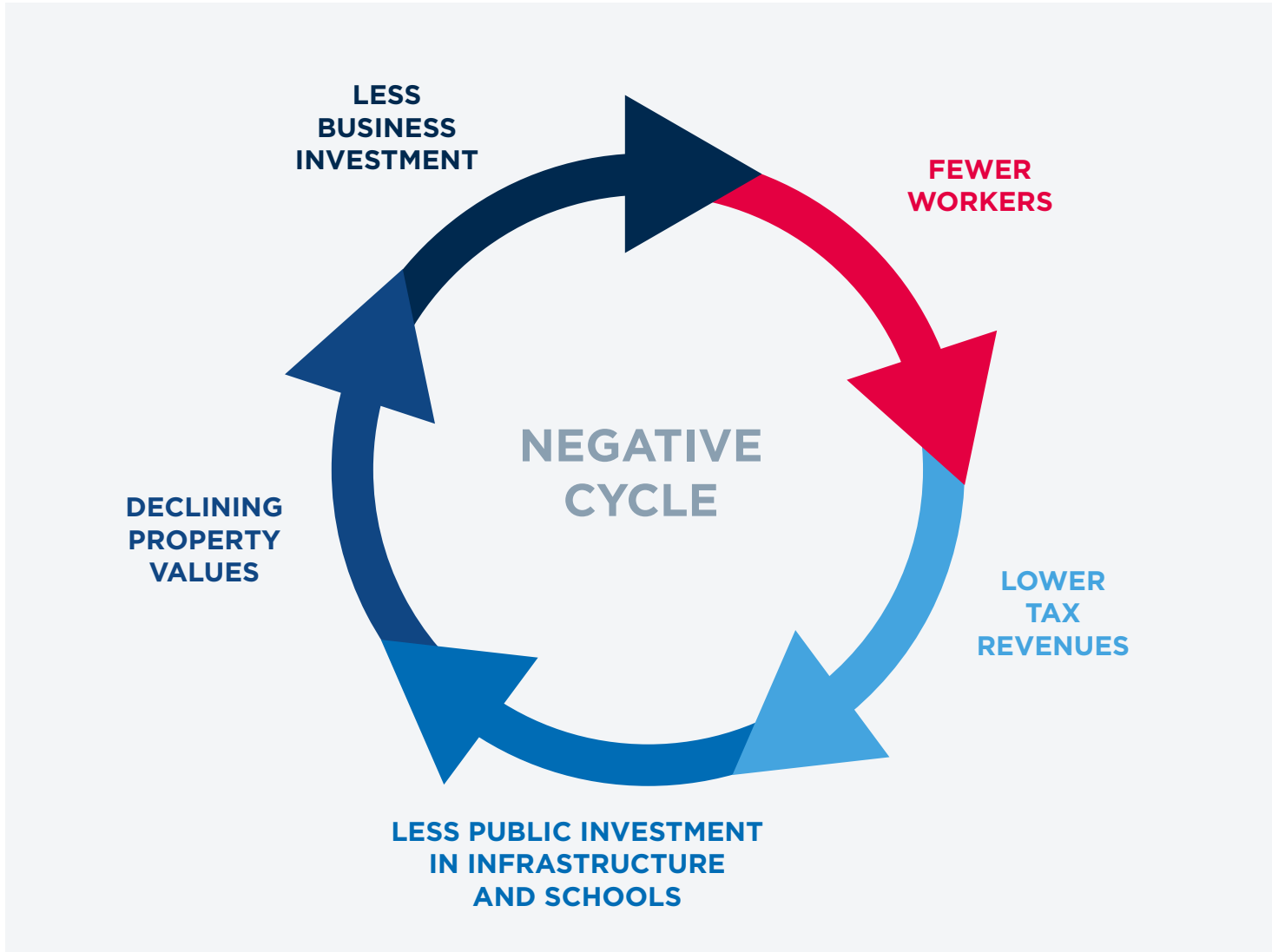
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# WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT'S HARD TO BREAK



“ 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.<sup>18</sup> ”

- 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.<sup>19</sup> ”

- THE ECONOMIC INNOVATION GROUP





# IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE

## A CONSERVATIVE IMMIGRATION PLAN WOULD GROW THE U.S. ECONOMY<sup>20</sup>

Immigrants could increase U.S. GDP by



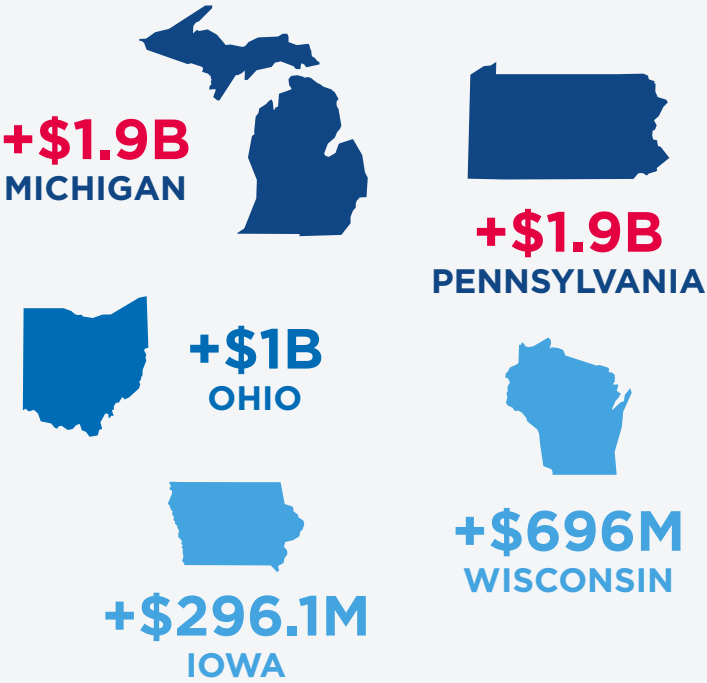
and create 8.4 million new jobs.

Immigrants could increase GDP across these five states by



and create 822,000 new jobs.

## RECENT IMMIGRANTS ALREADY CONTRIBUTE \$5.8 BILLION TO THESE FIVE STATES EACH YEAR<sup>21</sup>



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

## IMMIGRANTS START NEW BUSINESSES<sup>22</sup>

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.



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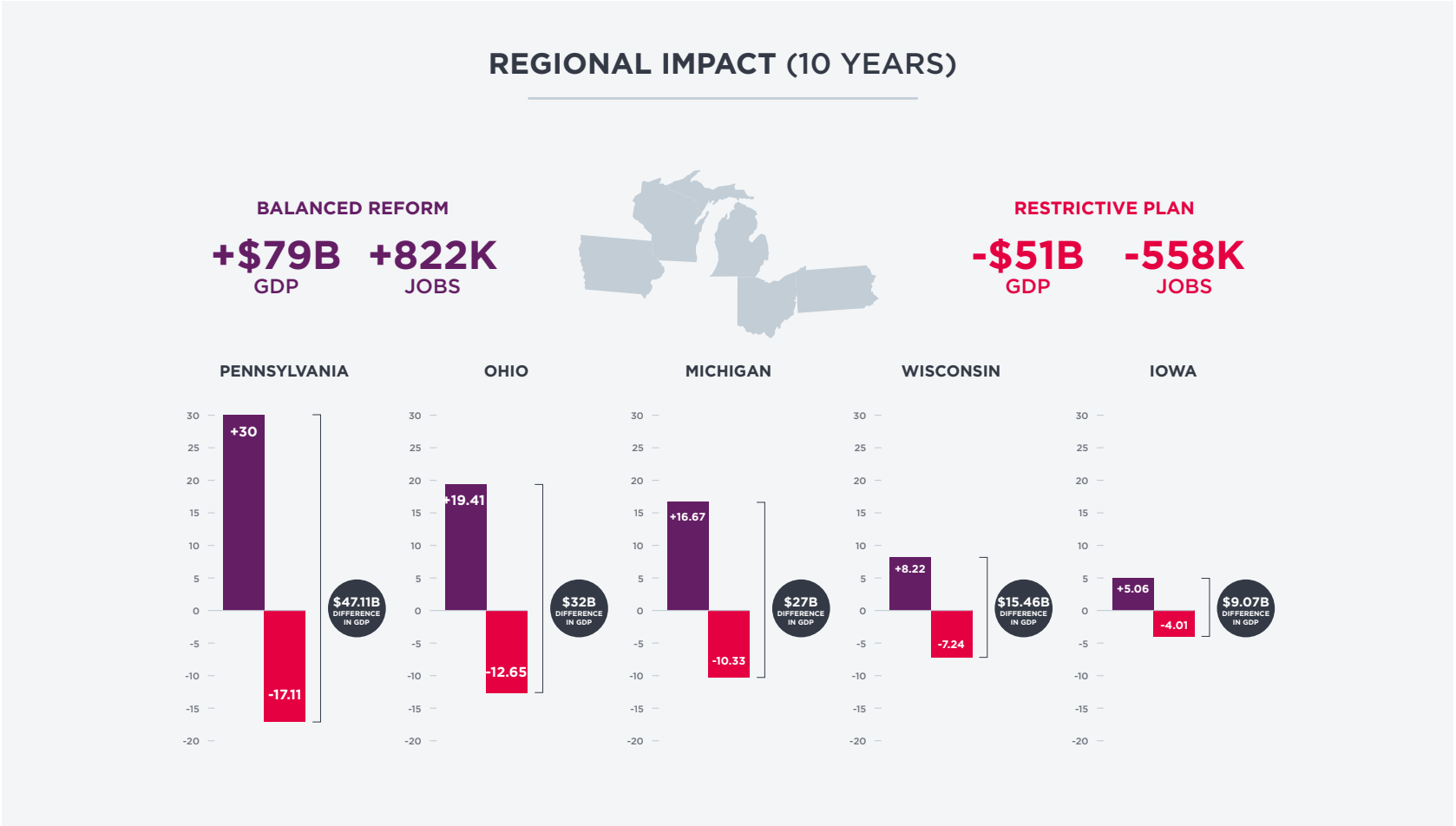
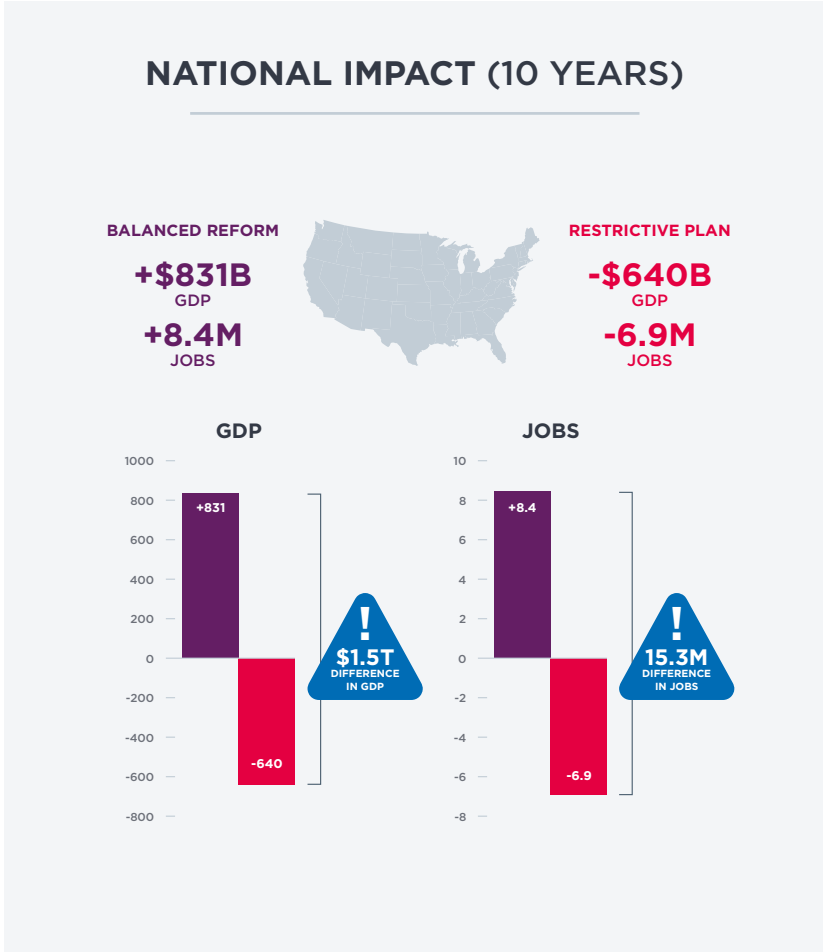
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# TO APPRECIATE HOW RADICAL TRUMP’S POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS PROPOSE

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.<sup>23</sup>



# 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.<sup>24</sup>



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.<sup>25</sup>

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.<sup>26</sup>

POPULATION GROWTH BASED ON UN ESTIMATES, 2019<sup>27</sup>

JAPAN	-0.3		+0.04
ITALY	-0.24		+0.12

NATURAL POPULATION GROWTH (%)

POPULATION GROWTH DUE TO MIGRATION (%)

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.<sup>28</sup>



“ 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.<sup>29</sup> ”

- JOHN CRANLEY  
MAYOR OF CINCINNATI

“ The city would be prepared to welcome these immigrants just as we have embraced our immigrant communities for decades.<sup>30</sup> ”

- JIM KENNEY  
MAYOR OF PHILADELPHIA

“ One of the key solutions is to welcome immigrants into these communities.<sup>31</sup> ”

- BROOKS RAINWATER  
DIRECTOR, NATIONAL LEAGUE OF CITIES' CENTER



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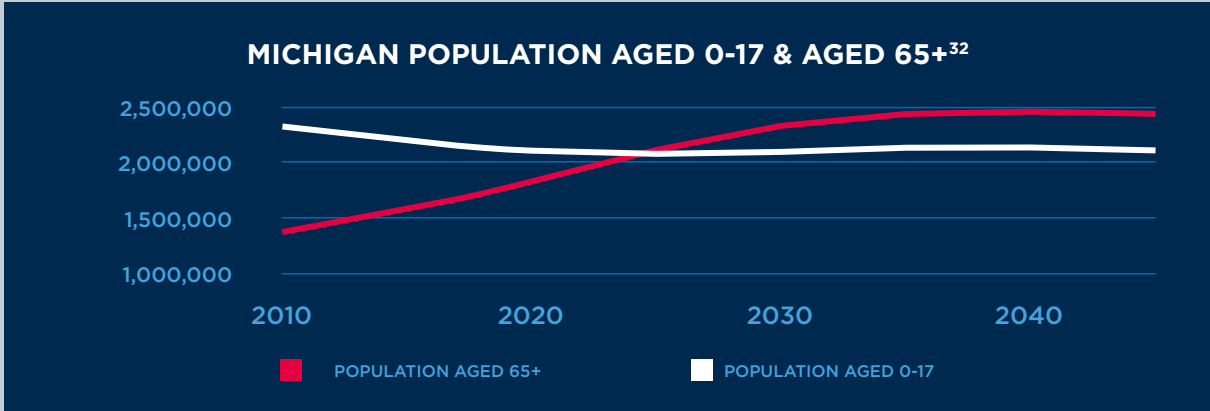
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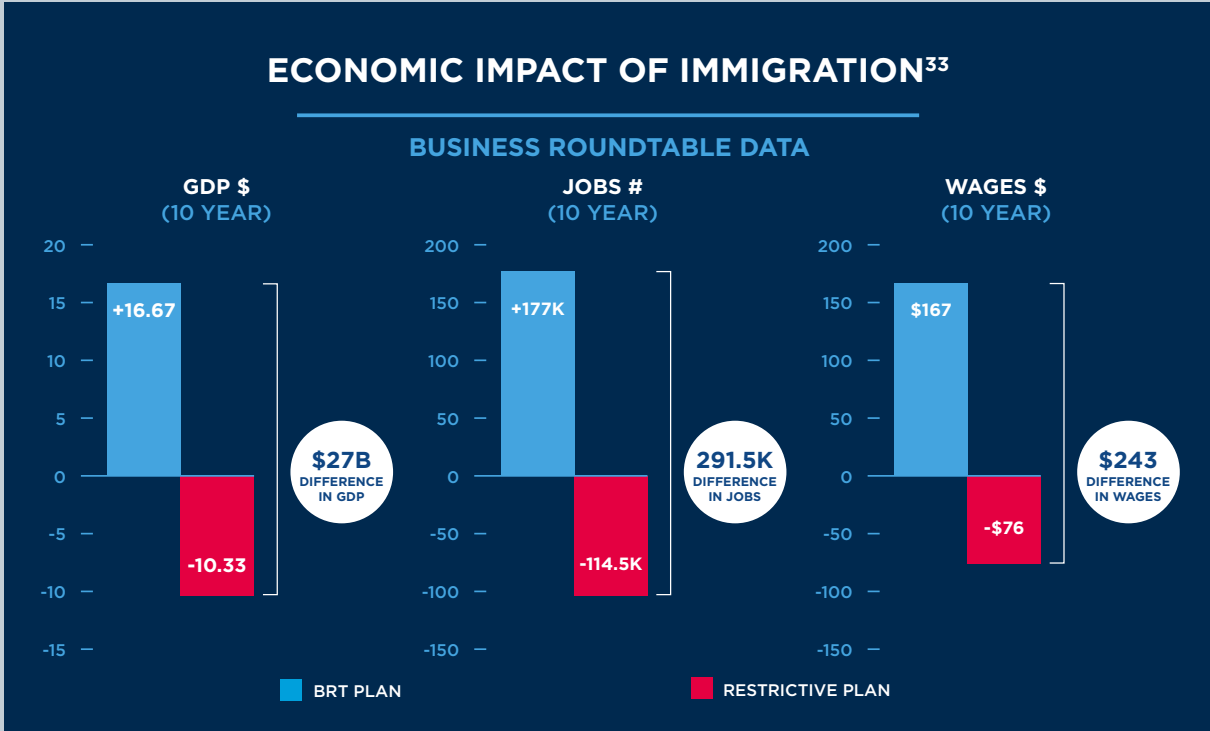
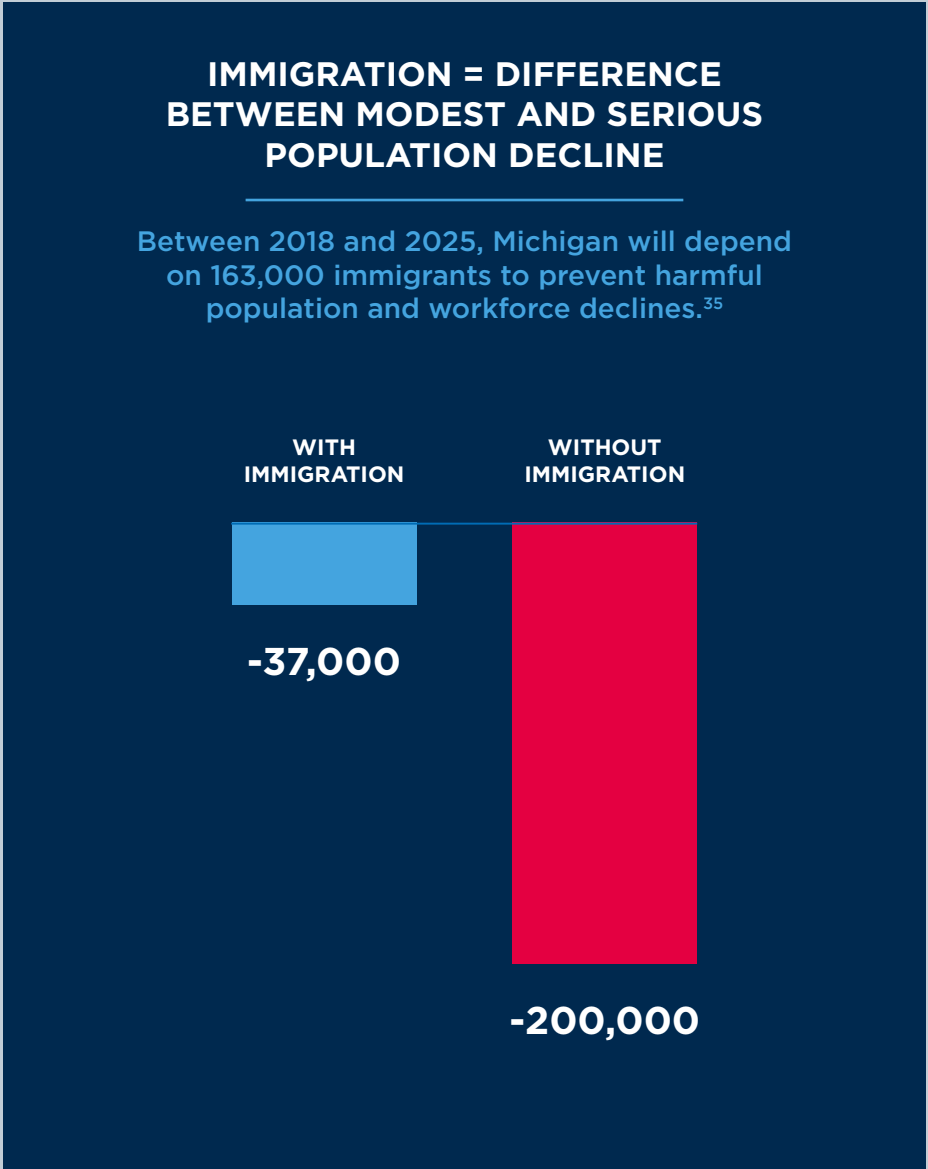
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# CASE STUDY: MICHIGAN



**SENIORS  
ARE GOING TO  
OUTNUMBER  
MINORS  
BY 2025**

**TEN YEARS  
BEFORE THE  
NATIONAL AVERAGE**



**50+  
MEDIAN AGE  
IN  
21/83  
COUNTIES**

**THE HIGHEST  
IN THE U.S.<sup>34</sup>**



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