



ISSUE BRIEF: Q2 2019

# WE ARE NOT FULL

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**BUSINESSFORWARD**  
FOUNDATION

# TOPLINE

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

In fact, we need immigrants, and increasingly so. America has an aging problem, declining birthrates, and thousands of underpopulated cities and towns struggling with falling home prices and dwindling tax revenue.

**“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 Trump<sup>1</sup>

**“I believe our biggest threat is our declining labor force... It’s the root of every problem we face. This makes it incredibly difficult for businesses to recruit new employees and expand, harder for communities to grow and leaves fewer of us to cover the cost of state government.”**

Governor Phil Scott  
(R-VT)<sup>2</sup>

<sup>1</sup> Noah Smith, “Demographic Decline Is the Real Threat to the U.S.,” Bloomberg News, April 10, 2019.

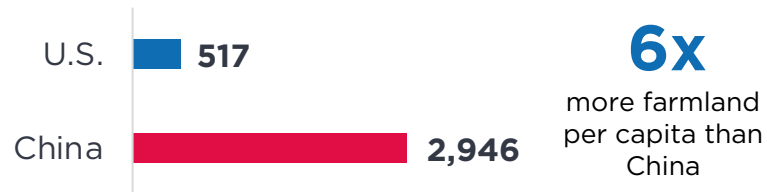
<sup>2</sup> Neil Irwin and Emily, “Trump Says the U.S. Is ‘Full.’ Much of the Nation Has the Opposite Problem,” New York Times, April 9, 2019.

# THE BASICS

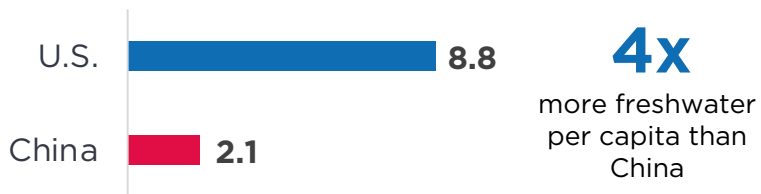
## NATURAL RESOURCES

The U.S. has ample resources for millions of new Americans. We produce enough food and energy. We have enough water.

People per square mile of farmable land<sup>3</sup>



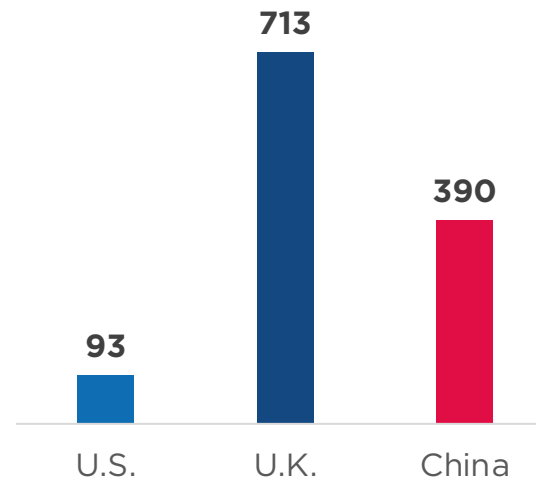
Renewable internal freshwater, per capita, in thousands of cubic meters<sup>4</sup>



## 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 mile<sup>5</sup>



**“By trying so hard to keep foreigners from moving to the U.S., Trump is threatening to sentence the country to demographic decline – and to decreasing relevance, dynamism and power.”**

*Noah Smith,  
“Demographic Decline is the Real Threat to the U.S.,” April 10, 2019,  
Bloomberg*

<sup>3</sup> Smith, “Demographic Decline Is the Real Threat to the U.S.”

<sup>4</sup> “Renewable internal freshwater resources per capita – country ranking,” Index Mundi, accessed 2019.

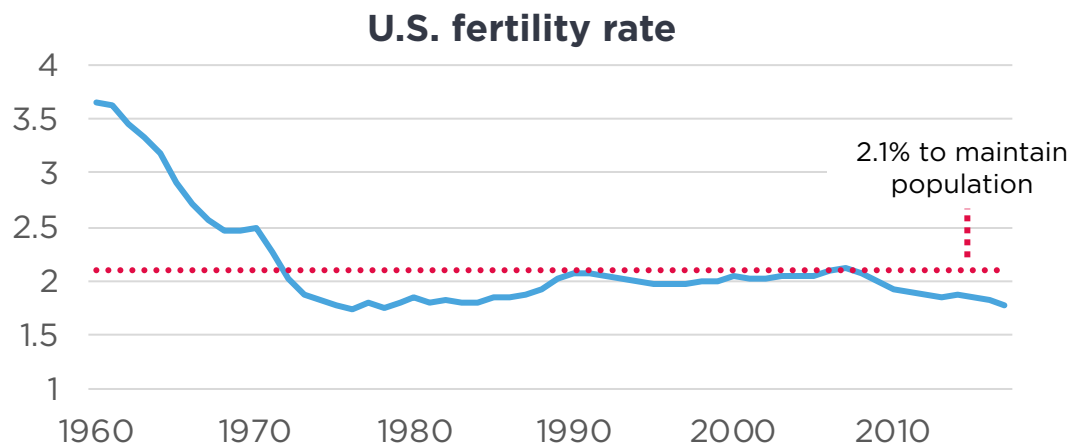
<sup>5</sup> “List of countries by population density,” Statistics Times, accessed 2019.

# OUR REAL PROBLEM: FEWER BABIES AND MIGRATION

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

## PROBLEM 1: DECLINING FERTILITY RATE

U.S. fertility has been declining steadily and is at a record low. To simply maintain our population, each woman must have 2.1 children on average. Today, they are having 1.8, on average. Without immigration, the U.S. population will shrink. Economists predict our birth rate will fall to 1.5 or 1.4, similar to Japan.<sup>6</sup>

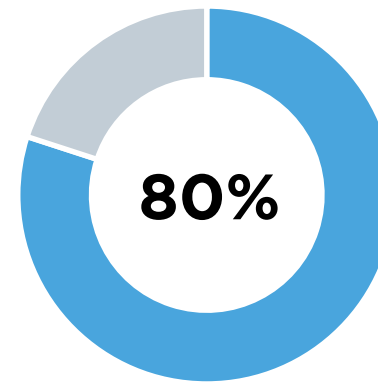


<sup>6</sup> Smith, "Demographic Decline Is the Real Threat to the U.S."

<sup>7</sup> Adam Ozimek, Kenan Fikri & John Lettieri, "From Managing Decline to Building the Future: Could a Heartland Visa Help Struggling Regions?" Economic Innovation Group, April 2019,

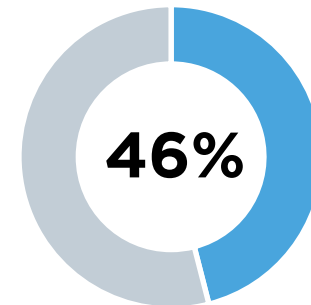
## PROBLEM 2: MIGRATION TO CITIES

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



**of American counties had fewer prime working-age adults in 2017 than they did in 2007.**

**These counties represent 149 million Americans or**

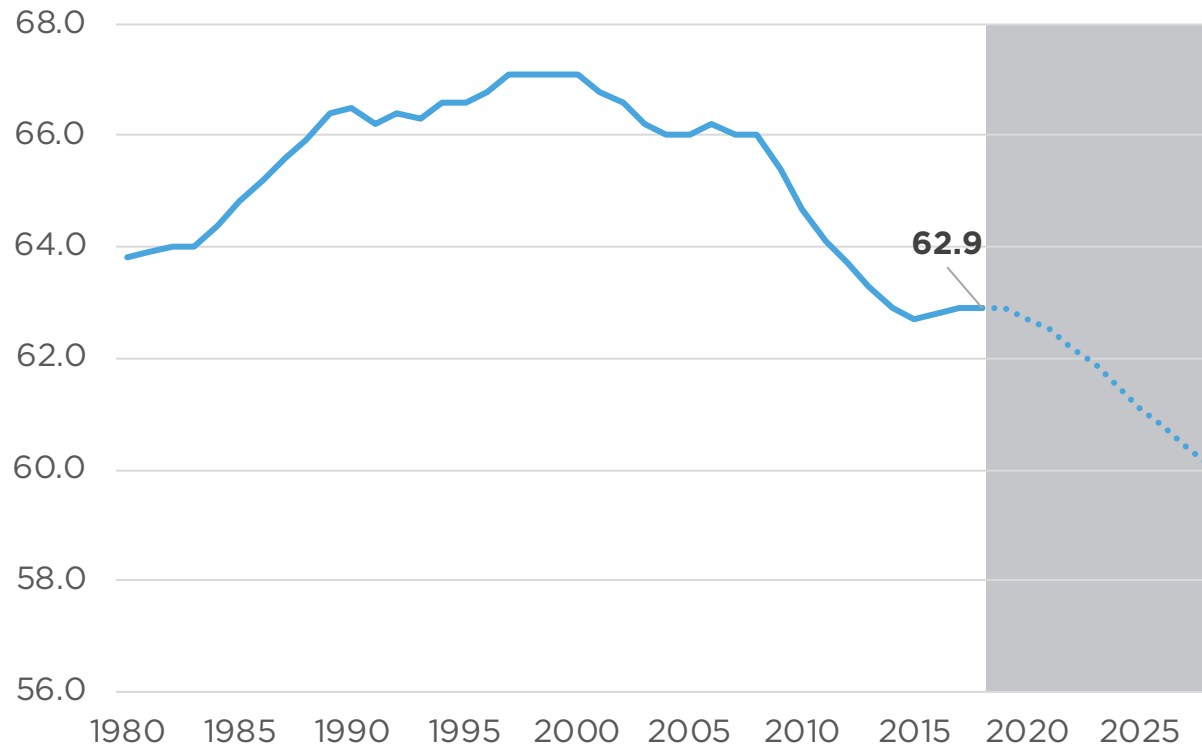


**of our population.<sup>7</sup>**



# LABOR GROWTH IS SLOWING AND IT IS BAD FOR BUSINESS

Historical and projected labor force participation rate<sup>8</sup>



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.

**“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.”**

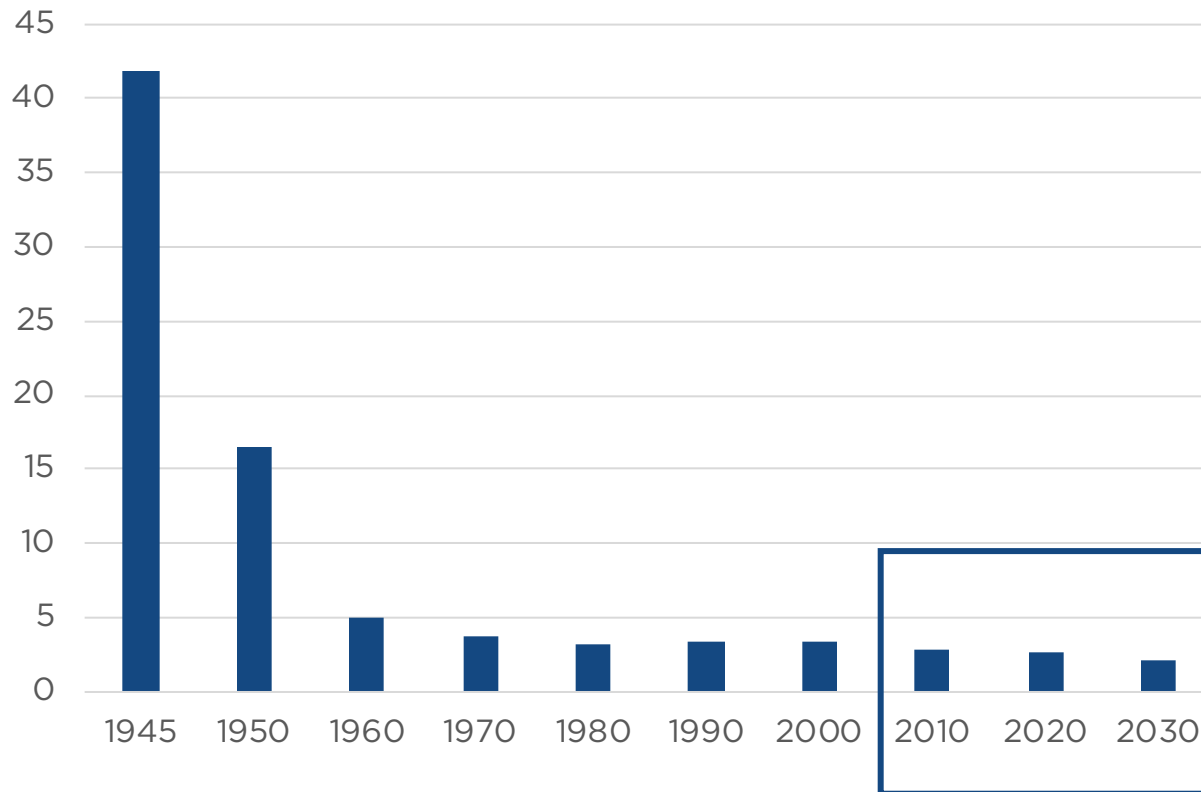
*Beth Ann Bovino  
S&P Global<sup>9</sup>*

<sup>8</sup> “CBO’s Projection of Labor Force Participation Rates,” Congressional Budget Office, March 2018.

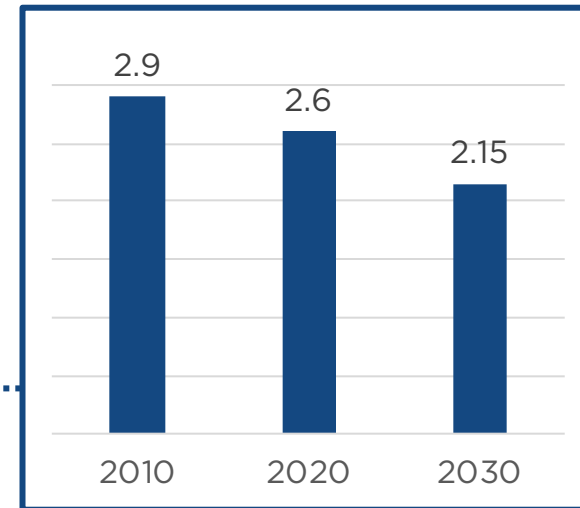
<sup>9</sup> Satyam Panday & Beth Ann Bovino, “Declining Labor Force Participation Will Weigh on U.S. GDP Growth - And Fed Monetary Policy,” S&P Global, Oct. 27, 2017.

# SLOW LABOR GROWTH IS AWFUL FOR SOCIAL SECURITY AND OTHER PENSIONS

Number of workers supporting each social security retiree<sup>10</sup>



An aging population and fewer working people have hastened the depletion of the Social Security Trust Fund.



<sup>10</sup> Veronique de Rugy, "How Many Workers Support One Social Security Retiree?," Mercatus Center, May 22, 2012.

# COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING



ITALY

The OECD predicts that Italy's public debt to GDP will rise from 133% to 144% by 2030 due to slow growth, low inflation and rising interest costs.<sup>11</sup>

Italy also has a rapidly aging population, which will require more government spending and affect economic output.

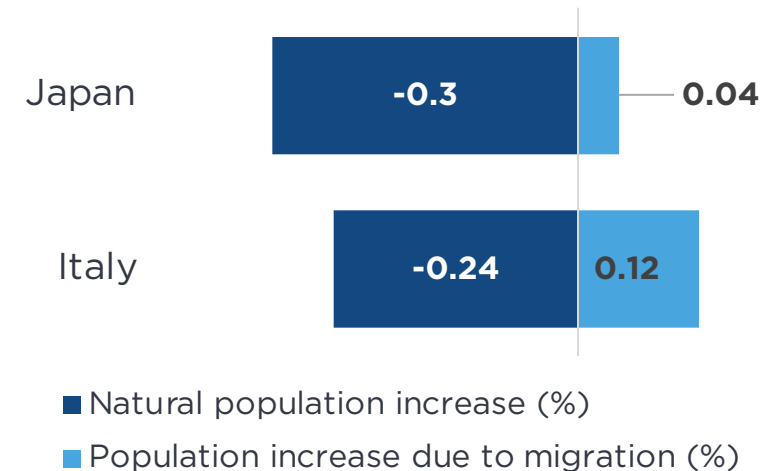


JAPAN

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>12</sup>

Population growth based on UN estimates, 2019<sup>13</sup>



Overall, Japan's population decreased by **-0.26%** and Italy's population decreased by **-0.13%**.

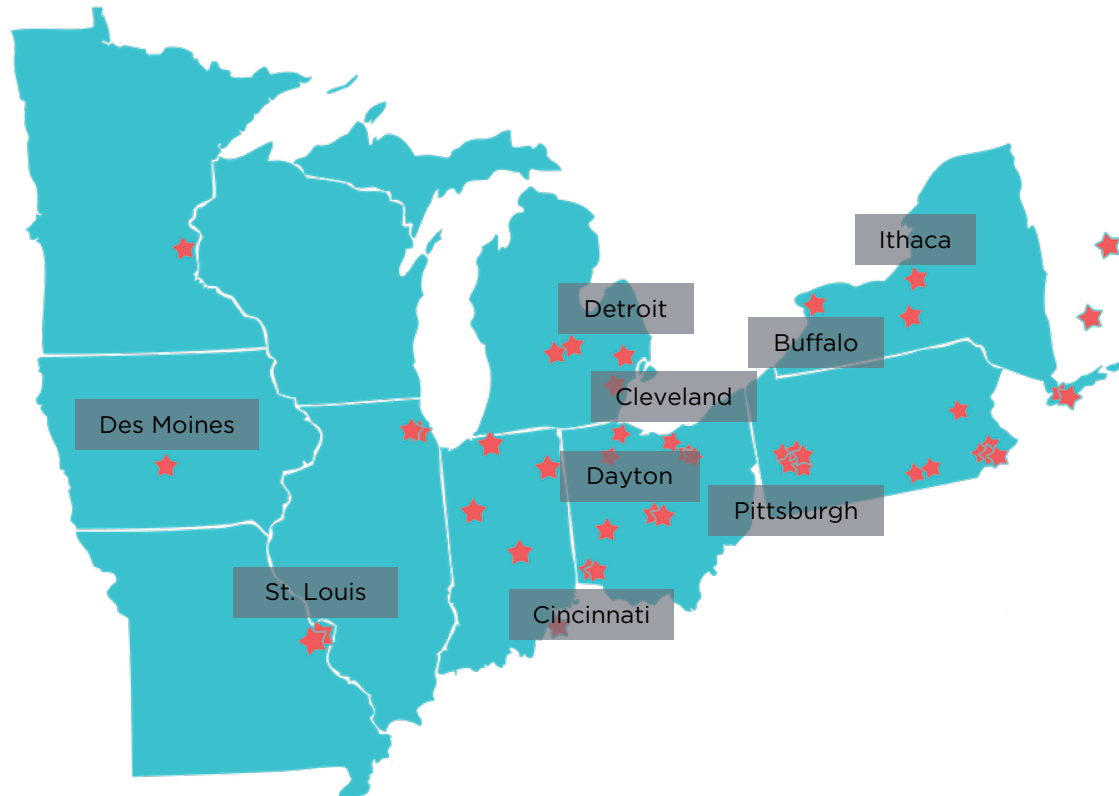
<sup>11</sup> Valentina Romei, "Italy's public debt set to rise again amid lack of growth," Financial Times, April 1, 2019.

<sup>12</sup> Valentina Romei, "How Japan's ageing population is shrinking GDP," Financial Times, May 16, 2018.

<sup>13</sup> Worldometers, accessed May 10, 2019.

# 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 become more welcoming. **Welcoming Economies Global Network** is a regional network of organizations across the Midwest.



**“One of the key solutions is to welcome immigrants into these communities.”**

*Brooks Rainwater  
Director,  
National League of Cities’  
Center*

For growing cities like Phoenix and Dallas, **“[t]heir economic development strategy is growth. Their chief input is people – the more, the better.”**

*Neil Irwin & Emily Badger  
“Trump Says the U.S. is Full,” April 9, 2019,  
New York Times*



# TRUMP'S BLUFF ON SANCTUARY CITIES SHOWS HOW LITTLE HE UNDERSTANDS THE ISSUE



**“As a welcoming city, we would welcome these migrants with open arms, just as we welcomed Syrian refugees, just as we welcomed Puerto Ricans displaced by Hurricane Maria and just as we welcome Rohingya refugees fleeing genocide in Myanmar.”**

*Mayor Rahm Emanuel  
Chicago*

**“This is not a game. These are people’s lives ... Portland will continue to protect its sanctuary status in accordance with Oregon law and the U.S. Constitution.”**

*Mayor Ted Wheeler  
Portland*

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

*Mayor Jim Kenney  
Philadelphia*

**“New York City will always be the ultimate city of immigrants – the President’s empty threats won’t change that.”**

*Mayor Bill de Blasio  
New York*