



# An Overview of the U.S. Refugee Crisis

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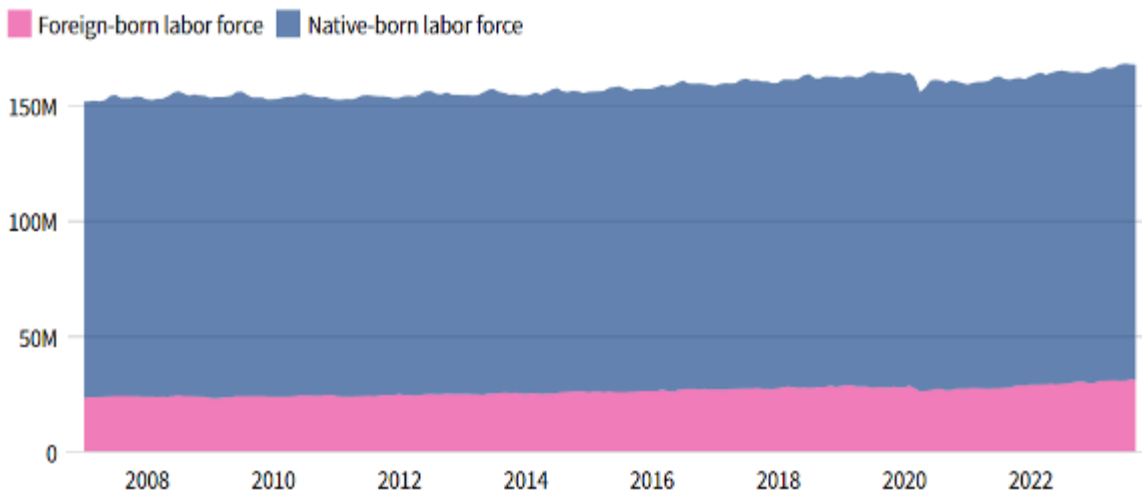
## Executive Summary

The refugee crisis at the border has been affecting the economy in many ways. As many refugees cross the border looking for opportunity in the US, there are many places for them but at the same time, there aren't enough places for them. On average, close to 10,000 refugees move every day across the border hoping to find a better life in places around America. There have been a many more people moving in from Mexico to the US everyday as in December of 2023, 249,735 immigrants moved from Mexico to the US which was the highest since 2000 and as Title 42 has ended, there have been more people camping outside of the border between Mexico and the US. With more refugees coming into the US though, there have been a lot of economic impacts by them.

Refugees helped making a positive fiscal impact in the economy. At the federal level, refugees earned over \$93.6 billion in household income in 2019 and contributed to \$25 billion in state taxes while holding onto a lot of the spending power in the economy as they have been helping by contributing to the labor force. The big problem that many social workers in the US face is the strain on social services and infrastructure as it is getting hard to keep all of the immigrants in a safe sheltered home. This leads to overpopulation in these homes and a very unsafe environment also leading to many political and social tensions which affect the election. They have helped revitalize declining areas and they have had long-term economic growth. With more refugees means helping them adjust through integration programs or labor adaption programs all affecting the economy.

### As of September 2023, foreign-born workers made up 19% of the US labor force.

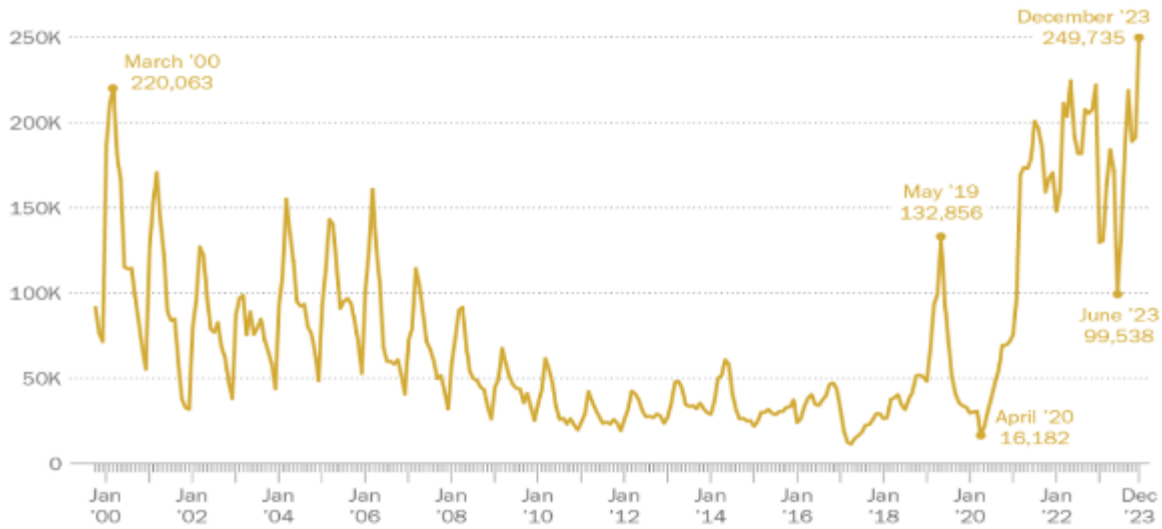
Civilian labor force level, by nativity





### 2023 ended with more migrant encounters at U.S.-Mexico border than any month on record

Monthly migrant encounters by U.S. Border Patrol at U.S.-Mexico border



As more refugees come to the US for a better life, the spending power they have dramatically increases. With more refugees, they have been taking on jobs providing important labor for the economy and allowing them to spend more. In states like Michigan, it is very important for them to have these jobs taken up by refugees and in Midwest states like Iowa, they want more refugees to come in as they need the labor force that the refugees provide. Refugees have earned over \$93.6 billion in household income in 2019, contributed \$25 billion in taxes, and provided over \$68.6 billion in spending that provided much-needed consumer spending for U.S. businesses. This has also brought substantial development for local and state taxes, with refugees alone paying \$8.7 billion in taxes. Some people think that these refugee families are a burden to take care of but research shows otherwise. When researching refugee households 20 years after resettlement, the research finds that refugees actually earned more than other households with a median refugee household income of \$71,400 compared to \$63,000 for typical American families. The

long-term investment in refugees has proved to be useful in the last 20 years as the refugees have been able to get a secure footing and support themselves.

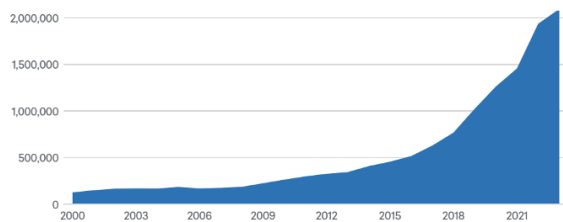
The biggest problem with many refugees coming in is the strain on social services and infrastructure as it is getting hard to keep all of the immigrants in a safe sheltered home.

According to NBC news, many migrants are just being released onto the streets without a proper home or job to support themselves leading to them being homeless. In Tucson, AZ, approximately 27,000 migrants were in CBP custody as of Wednesday night, another record, with more arriving and more being released into the United States by the hour. Most refugees released have been sleeping on the road or in airports as they don't have a proper home.





U.S. Immigration Court Backlog at All-Time High  
Pending cases by fiscal year



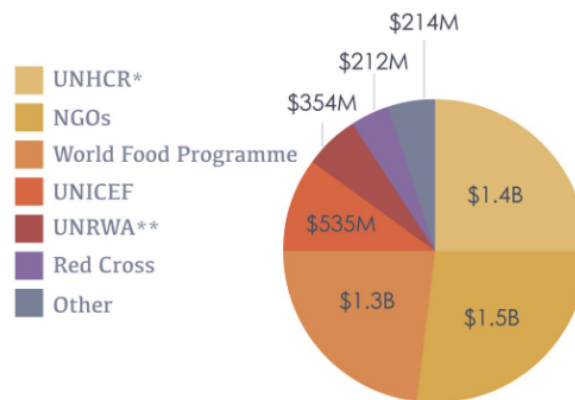
In Texas, the situation has become so bad that they have had to start sending many immigrants out of the state to places like New York causing New York to also have an overflow. New York has had to pay 140 million dollars for the refugee homes and now have a plan to spend 2.4 billion dollars to help house the migrants and help them seek asylum which is a huge hit on the state's economy. Texas, feeling the overflow, then decided to block the Rio Grande River that many refugees rely on from the south to cross into America causing a lot of controversy between many people as it caused many people attempting to cross the border to drown.

As more people try to cross the border into the US, many critics consider the humanitarian crisis that these refugees face as more try to go to the border.

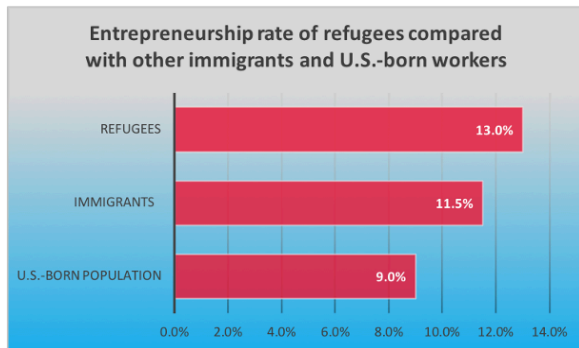
This big question that everyone is facing right now only leads them to wonder what will the president do. So far, many presidents have provided money, basic necessities for people waiting at the border, or just build a wall to block the border but there has never been a right answer or proper solution leading to many political and social tensions which indirectly affect the economy. These social and political tensions can lead to political polarization.

Debates over refugee resettlement policies, border security, and the role of the government in addressing refugee crises can exacerbate political divisions. This polarization can lead to policy gridlock, uncertainty, and instability, which can have negative implications for economic

decision-making, investment, and business confidence. Another problem as a result of these tensions is policy uncertainty. Political and social tensions surrounding refugee issues can create uncertainty for businesses and investors. Uncertainty over immigration policies, trade relations, or social stability can deter investment, disrupt supply chains, and affect consumer confidence. This uncertainty can lead to cautious business behavior, reduced investment, and slower economic growth. As the refugee crisis grows, there are also many possibilities of money being directed away from some other things and being allocated towards the refugee crisis at the border.

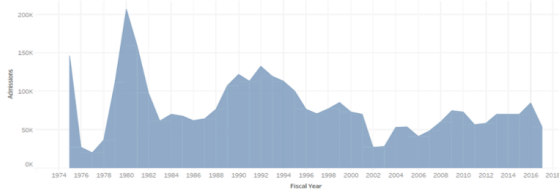


As more refugees come in, they need a place to stay once they have been granted asylum which leads to them going to different towns and cities which also leads them to dying cities. In some cases, refugees settle in areas that are experiencing population decline or economic stagnation. Their arrival can inject new life into these communities by increasing demand for housing, goods, and services, and by fostering community engagement and revitalization efforts. As more refugees move in, many small businesses grow as they get more help and labor force. Many refugees who come in also start their own businesses as entrepreneurs helping the cities come alive again.



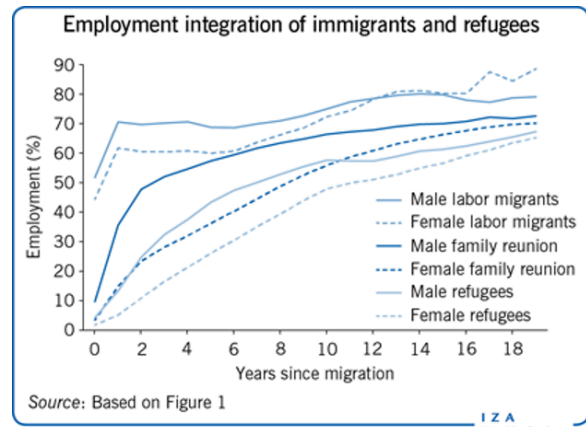
As more refugees come in, there have been many integration programs and labor market adaptations for them. These integration programs help the refugees and asylees get the resources they need to be able to work outside and make a living for themselves. Over a 15-year period, the US has spent over \$457.2 billion. The net fiscal impact of refugees and asylees was estimated to be positive over the 15-year period, at \$123.8 billion. The net fiscal benefit to the federal government was estimated at \$31.5 billion, and the net fiscal benefit to state and local governments was estimated at \$92.3 billion.

Chart 1: U.S. Refugee Admissions (FY 1975 --2017)



As more refugees come in, the amount of money spent on integration programs keep going up. There has also been a lot of spending on labor integration programs. As many refugees come in it is very important for them to get jobs for a proper living which has led to the US spending a lot of money on it. According to wol.iza.org, there have been many pros like Refugees start at a lower employment level upon arrival in host countries but subsequently “catch up,” economically, with family reunion migrants. Results from current research seem much better, since comparable outcomes are obtained when investigating various national labor markets. The cons of this are that refugees integrate more slowly into host

countries’ labor markets compared to labor migrants, due to not being primarily selected for host country labor markets. This also leads to Introduction and settlement policies do not adequately help refugees attempting to integrate into the host’s labor market; this contributes to their poorer economic performance, particularly in the first few years after arrival.



In all, there are many pros and cons of refugees coming in across the border. The refugees have helped the economy in many ways but have also affected it in negative ways. As more refugees come in for a better life, they are able to take up low-income jobs that a normal citizen wouldn’t want to take but they may also take other people’s jobs which is a big worry. Most entrepreneurs that come here are refugees starting their own business to help themselves but also helping the economy. The hard work the refugees put in to have a better life is huge which has led them to have a lot of spending power. As I had said before, these refugees have nearly

\$100 billion in spending power which is more than some other countries’ economies. As more refugees come in though, there isn’t enough infrastructure for them in shelter homes which scares people as this refugees coming through the border isn’t a problem anymore, it’s considered to be a huge crisis which is hard to solve. Do you think the refugee coming into the US have affected the economy in a good way?



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