

How Not to 'Solve' the Social Security Problem

Mass immigration is the wrong answer

by Gene A. Nelson

Political conservatives have been advocating a substantial increase in immigration as a means of postponing the predicted date of bankruptcy of the U.S. Social Security system. Conservatives claim that the recruitment of younger, new workers from abroad will infuse the system with abundant Social Security tax revenues, and therefore, support the retirement of American workers presently contributing to the Social Security system.

Examination of the careers of present U.S. science and engineering (S&E) professionals as a sub-population demonstrates that these "rescue" claims are fraudulent. The likely outcome is denial of adequate Social Security retirement payments to American S&Es as they are being permanently displaced by the younger, overseas S&E professionals. The older S&Es, regardless of their national origin, are forced to take lower paying, lower security positions such as "help desk" work merely to survive. The older S&Es are informed that they are "overqualified" when they seek available S&E positions that they could fill, based on their training. Employers prefer to fill the open S&E positions with "fresh (inexpensive) young blood." Employers of S&Es have succeeded with this illegal age discrimination because they have vigorously lobbied for conditions that guarantee that there is a huge glut of S&Es seeking a much smaller **pool** of available positions. "Walk through" tours of many "high tech" firms demonstrate the prevalence of younger professionals, rather than showing substantial employment of those above approximately 40 years of age.

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While S&E employers have continuously and loudly lamented about a predicted "shortfall" or "looming shortage" of S&Es since at least the late 1960s, these crises have never materialized. (The only "shortage" has been of pliant professionals willing to work under undesirable conditions, such as being forced to work substantial unpaid hours of overtime.) However, these shortage claims have lured hundreds of thousands of impressionable young people to obtain a S&E degree. Science and engineering degree production in the United States at the bachelor's degree level has been remarkably stable at above 300,000 per year for multiple decades. Researchers such as Braddock et. al. in the U.S. Department of Labor projected net S&E job replacement and growth requirements in 1992 to be in the neighborhood of only 55,000 per year (if real GNP growth was at least "moderate.") With domestic S&E degree production alone, there are roughly 6 applicants chasing each available position. Immigration further tilts the balance in favor of S&E employers. With only the H-1B and S&E permanent resident visa programs being considered, over 200,000 more S&Es are being imported each year. That implies at least 10 applicants pursuing each available S&E position, which unambiguously fits the definition of a "glut."

Colleges and universities have also lobbied for high levels of S&E immigration. There are two significant benefits to those institutions that occur with S&E employee gluts. The first benefit is that as S&Es are permanently displaced from the careers they have trained for long before retirement age, demand for teaching the cadre of younger S&Es is stimulated. Lecture hall seats are filled, but now with foreign faces. (Our tax dollars subsidize this training in essentially all public and private colleges and universities.) The second benefit for the institutions is that they have low-cost access to skilled S&E labor. It is illuminating that many of the provisions of the 1998 law that essentially doubled immigration

levels of the controversial H-1B visa program specifically exempted colleges and universities from reporting and notification requirements.

Social Security retirement payments are determined by a formula that heavily weights the salary level earned during the last few years of a wage earner's career. This formula made sense before the era of corporations permanently eliminating millions of professional-level positions, as has occurred during the late 1980s and all of the 1990s. By the time the bulk of the "Baby Boomers" have retired at age 65 by the year 2025, only a select few (who tend to be wealthy already) will have an employment history showing a steady increase in annual income. These few wealthy people will be entitled to the maximum Social Security retirement benefits. Without S&E immigration reforms, a very large fraction of S&Es will have their late-career subsistence-level incomes determine their meager Social Security retirement benefits. (This is a callous method to extend the life of the Social Security trust fund and to benefit those who really do not need Social Security payments.)

It bears repeating that this negative outcome, driven

by S&E employer age discrimination, is independent of the nation of origin of the scientist or engineer.

While this problem is confined to the approximately 13 million U.S. citizens who have either earned a S&E bachelor's degree (or higher) or are presently employed as a scientist or engineer, it will spread to other professions as employers in those other fields utilize similar special interest lobbying to push for immigration in those fields as a remedy to purported "shortages" in the other fields. Therefore, it is essentially a universal concern to U.S. workers that immigration be reduced back to historically lower levels to protect their Social Security retirement benefits.

[Author's note: This essay was written to commemorate the death of an American activist against the H-1B program, Ed Curry of Jarrell, Texas, who died of a stroke on March 24, 1999 at age 40. The employer-designed H-1B program, which has been characterized as "indentured servitude," began in 1990.]