

# Shattering the American Dream

By GENE NELSON, Ph.D.

*Abstract:* Greedy economic elites are utilizing many different tools in order to maximize their prospects for economic gain from even greater liberalization of immigration to the United States. However, the elite's economic gain requires the further impoverishment of the American middle class.

Greedy economic elites possess tools that middle-class Americans do not. The key resource of the elites is large amounts of discretionary cash. Given the wide loopholes in laws that are supposed to bar the purchasing of legislation, such as the RICO Act, the American political system has in many ways devolved to a “pay to play” system. As an example, the Sunlight Foundation determined that these elites spent \$1.5 billion “lobbying” for immigration liberalization since the last immigration amnesty campaign collapsed (i.e., between 2007–2012).<sup>1</sup> The Sunlight Foundation's methodology likely excluded considerable lobbying funds. Given the large push to pass S. 744 in the U.S. Senate at the end of June, 2013, a more realistic estimate is about \$2 billion in lobbying expenditures regarding immigration liberalization between 2007 and January, 2014.

Another tool utilized by the elites is public relations. The various media outlets are being flooded with messaging to pave the way for the planned enactment of further immigration liberalization. This author, among others, has written numerous rebuttals to this messaging. Here is a recent example:

The “more jobs for Americans” that Mr. Dearie and Ms. Geduldig refer to are the part-time jobs that make scant use of the American's education or experience. For many older Americans, more than one of these part-time jobs are necessary to make ends meet — and there are no fringe benefits.

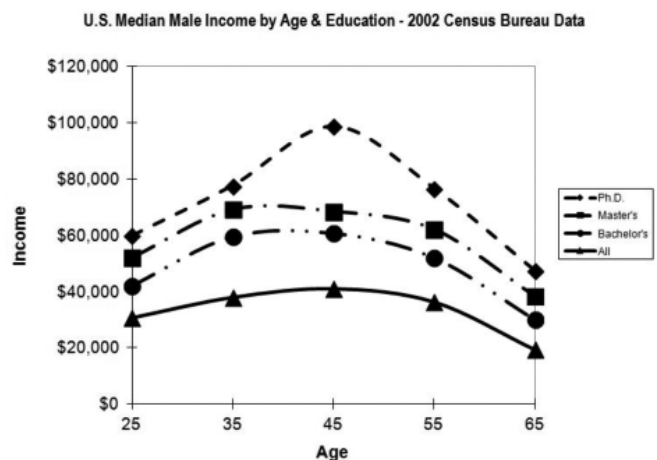
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*Gene Nelson, a contributor to The Social Contract, has testified twice in the U.S. House of Representatives and twice to the National Academy of Sciences (NAS) regarding the harms to American citizens of the controversial H-1B Visa program.*

The peak earning years of Americans are now between the ages of 40 to 50, even for those with Ph.D.s, per the U.S. Census.

Americans are being displaced from their careers by the record numbers of young immigrants, who further glut labor markets, meaning bigger employer profit margins. The Census Bureau shows a new record: over 40 million Americans are foreign-born. If the immigration bill passed by the Senate six months ago is enacted, yet more poverty will be imported.<sup>2</sup>

Much of the messaging centers on the false claim that the U.S. faces a talent shortage in the science, technology, engineering, and mathematics (STEM) fields. The false claims are examples of the profit motive, writ large. A 2012 estimate was that each higher-skill work visa admission was valued at approximately \$150,000.00 in reduced salary and benefit expenditures.<sup>3</sup> A recent article in the most widely read publication of the Institute of Electrical and Electronics Engineers (IEEE), the IEEE Spectrum chronicles some of the misleading, but widely disseminated views, that the U.S. faces a STEM talent shortage. The year 1936 marks the earliest example that the author, Robert N. Charette, documented.<sup>4</sup>



The author's letter to the editor above references the fact that the peak earning years for almost all Americans, are between ages 40 and 50, as shown in this graph.<sup>3</sup> The reason for this income decline following the peak is

that the American, are forced to take employment that makes scant use of their training or experience in order to keep a roof over their heads. As they get older, they are also forced to take part-time employment, without benefits, as that is all that is offered to most experienced Americans, even if they desire full-time employment.

The author has also reviewed additional data from the U.S. Census Bureau's educational attainment pages and has observed similar trends for 2005.<sup>5</sup> Regrettably, the Census Bureau no longer supplies this information in tables such as those cited for years 2002 and 2005. A detailed review of these newer data and an exploration of where information regarding income as a function of age and educational attainment is now located within the U.S. Census Bureau's website will appear in an upcoming article.

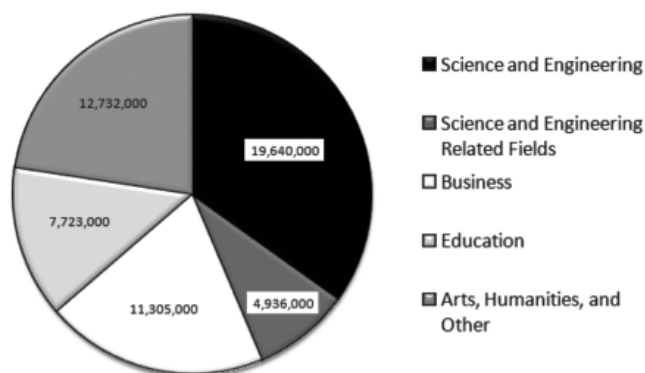
### The glutted ranks of the college-educated in the U.S.

The Census Bureau's website subdivision Educational Attainment also provides a relevant snapshot for 2009 of the dominance of STEM degrees within the U.S. college-educated population.<sup>6</sup>

MAJOR	NUMBER
Science and Engineering	19,640,000
Science and Engineering Related Fields	4,936,000
Business	11,305,000
Education	7,723,000
Arts, Humanities, and Other	12,732,000
<b>TOTAL</b>	<b>56,336,000</b>

There is no shortage of college degree holders in the United States. Per the January 2013 press release titled, "Census Bureau Reports Fast Growth in Ph.D.s and Master's Degree Holders": From 2002 to 2012, the highest rate of increases in education attainment levels were doctorate and master's degrees, according to new statistics from the U.S. Census Bureau. The population with a doctorate grew by about 1 million, or 45 percent to 3,191,000, with Asians holding 359,000, while those who held a master's (degree) climbed by 5 million, or 43 percent to 16,625,000, with Asians holding 1,599,000. Bachelor's degrees (also) rose 25 percent to 43,277,000 with Asians holding 3,829,000. Professional degrees rose to 3,099,000 with Asians holding 304,000.... (Note the prevalence of Asians is about 10 percent at each degree level. The ranks of Asian Ph.D.s are likely augmented by the creation of the H-1B visa in 1990. Asian race totals represent the entries from the "Alone or in combination" table entries.)<sup>7</sup>

**Distribution of Bachelor's and Above Degree Holders by Selected fields in 2009 - Age 25 and over**



**Almost half of Bachelor's and Above are STEM or STEM Related**

### Record numbers of foreign-born in the U.S.

The U.S. has the most generous immigration policy in the world. The rate of annual admissions to the U.S. is greater than the rate of all of the admissions to the remaining nations of the Earth. The author's earlier articles have provided evidence that legally sanctioned bribery of elected officials by the economic elite plays a role in the establishment and maintenance of these post-1965 immigration policies.<sup>8</sup>

The cumulative adverse impact of these liberal immigration policies on the incomes and career prospects of American citizens is a consequence of the economic law of supply and demand. Glutted labor markets reduce the wages and benefits that employer interests must pay. (An additional adverse economic impact of this cumulative recent immigration is that the large number of recent immigrants bids up the prices of the necessities of life. The economic gains of both changes benefit the economic elites at the expense of the American middle class.)

The numbers are significant. The 2012 foreign-born population was estimated at over 40 million, comprising over 13 percent of the U.S. population.<sup>9</sup> The number of foreign born is at record levels. Estimates from NumbersUSA.com show that net legal and illegal immigration is currently adding about 2 million a year to the U.S. population.

If S. 744, the immigration bill passed by the U.S. Senate in late June, 2013, is enacted into law, the result will be a massive increase in immigration, at roughly twice the levels permitted by the 1990 liberalization of immigration.

### Dire consequences for American citizens

A recent *Forbes* article includes the following perspectives regarding retirement:

... Forget pushing retirement off a few years. A growing number of Americans believe they'll be working until death.

An alarming 37 percent of middle class Americans believe they'll work until they're too sick or until they die.

Another 34 percent believes retirement will come at the ripe age of 80. Just two years ago only 25 percent of respondents felt the same way.

It's a grim look at the state of retirement which seems to be getting worse for middle class Americans....<sup>10</sup>

Another *Forbes* article outlines some of the problems for today's college graduates related to the lack of employment opportunities connected with their college training and experience:

More than half of them financed their education through student loans, and many say if they had \$10,000 the "first thing" they'd do is pay down their student loan or credit card debt.

That's no surprise when you consider student borrowing topped the \$100 billion threshold for the first time in 2010, and total outstanding loans exceeded \$1 trillion for the first time in 2011. Student loan debt now exceeds credit card debt in the U.S. which stands at about \$798 billion....

...(Student loan) Delinquencies are also on the rise. The number of borrowers who are at least 90 days late on student loan payments has jumped from 8.5 percent in 2011 to 11.7 percent today, according to a study by the New York Federal Reserve.

The problem sometimes is that not all college educations are worth their cost since they can't guarantee a high-paying job to help pay off that student debt....

...The Consumer Financial Protection Bureau found student debt has also affected home ownership in the country. Census data reveals that nearly 6 million Americans ages 25 to 34 lived with their parents in 2011, a sharp increase from 4.7 million in 2007.

The CFPB cited The National Association of Home Builders (NAHB) saying higher student debt burdens "impair the ability of recent college graduates to qualify for a loan."...<sup>11</sup>

So, older Americans are being economically squeezed by employment age discrimination. Particularly in technology-related careers, it is a commonplace

(and perfectly legal practice) to force experienced Americans to train their younger foreign-born replacement, as a condition for the Americans to receive their meager outplacement benefit. A summary of this practice that was published over a decade ago labeled this cruel employer practice, "extortion into oblivion." Since the author has also served as a professor at several colleges and universities, he has witnessed first-hand how his well-qualified students are having a difficult time being hired into positions that are connected with their areas of study. Many recent articles have documented the problems that younger Americans are having in launching a career closely tied to their college major.



As this author has noted, work visa programs such as H-1B have morphed into de facto government-sanctioned foreign hiring preference programs, as the foreigner's work visa has been designed to facilitate long-term immobility of the foreigner via the effective indenture provisions of the work visa, while at the same time the design features of the work visa program allow employers to legally underpay the foreign worker, relative to an American citizen worker.<sup>12</sup>

While the American Dream is being shattered by record levels of immigration (importing even more poverty), greedy, amoral economic elites are "laughing all the way to the bank," with unprecedented income and accumulated wealth. As an example, William Gates III is again ranked as the number two wealthiest man in the world with assets of \$72,000,000,000.00 in September, 2013.<sup>13</sup> Gates (and Microsoft Corporation — with a large block of stock controlled by Gates) continue to lobby for the increases in higher-skilled immigration included in S. 744.

In the recent political history of the U.S., a well-used legislative vehicle for enacting immigration liberalizations is to include them as amendments in "must pass" legislation, such as omnibus appropriations bills. The author has a grave concern that unless there is very strong opposition from the American middle class, this tactic will be employed again in the next few months



to enact S. 744 with the upcoming omnibus spending bill, perhaps with a “sweetener” of extending long-term unemployment benefits. This would be a tragic tradeoff, as the increase in long-term unemployment is strongly tied to the current high rates of immigration. ■

### Endnotes

1. “Untangling the webs of immigration lobbying,” by Lee Drutman and Alexander Furnas, March 25, 2013. <http://sunlightfoundation.com/blog/2013/03/25/immigration/> Note the related blog post, “Surge of immigration lobbyists fueled by push for high-skilled foreign workers,” by Keenan Steiner, May 22, 2013. <http://sunlightfoundation.com/blog/2013/05/22/surge-immigration-lobbyists-fueled-push-high-skilled-foreign-wor/>
2. The author wrote this “Letter to the Editor” submission on January 1, 2014 in response to the article by John Dearing and Courtney Geduldig in the *Wall Street Journal*. “More Immigration Means More Jobs for Americans” — December 29, 2013 [http://online.wsj.com/news/article\\_email/SB10001424052702303290904579278173121185300-1MyQjAxMTAzMDMwMDEzNDAYWj](http://online.wsj.com/news/article_email/SB10001424052702303290904579278173121185300-1MyQjAxMTAzMDMwMDEzNDAYWj)  
In the view of this author, the *Wall Street Journal* article is a collection of statistical half-truths and inferences not supported by facts.
3. “How Record Immigration Levels Robbed American High-Tech Workers of \$10 Trillion” by the author. *The Social Contract*, Spring 2012 <http://tinyurl.com/74cc64p>
4. “The STEM Crisis Is a Myth — Forget the dire predictions of a looming shortfall of scientists, technologists, engineers, and mathematicians,” by Robert N. Charette, IEEE Spectrum, posted August 30, 2013, <http://spectrum.ieee.org/at-work/education/the-stem-crisis-is-a-myth>
5. U.S. Census Bureau — Educational Attainment: Table 8. Income in 2005 by Educational Attainment of the Population 18 Years and Over, by Age, Sex, Race Alone, and Hispanic Origin: 2006 <http://www.census.gov/hhes/socdemo/education/data/cps/2006/tab08-2r.xls>
6. Educational Attainment — Five Key Data Releases from the U.S. Census Bureau, Media Webinar, February 23, 2012, page 16 for B.S. and above distribution by selected majors, [https://www.census.gov/newsroom/releases/pdf/2012-02-23\\_education\\_slides.pdf](https://www.census.gov/newsroom/releases/pdf/2012-02-23_education_slides.pdf) See also <http://www.census.gov/newsroom/releases/archives/education/cb12-31.html> release number: CB12-31, February 16, 2012, for additional details. This material was also discussed on C-SPAN’s “Washington Journal” on February 24, 2012. See: [http://www.census.gov/newsroom/cspan/educ/educ\\_attain\\_slides.pdf](http://www.census.gov/newsroom/cspan/educ/educ_attain_slides.pdf)
7. The press release CB13-13, dated January 23, 2013, is located at <http://www.census.gov/newsroom/releases/archives/education/cb13-13.html> and the detailed tables are found at <http://www.census.gov/hhes/socdemo/education/data/cps/2012/Table1-01.xls>
8. In addition to endnote 3, above, see also these articles by the author, “The Greedy Gates Immigration Gambit,” *The Social Contract*, Fall 2007, <http://tinyurl.com/3718ry> and the important legislative history in “Career Destruction Sites — What American colleges have become” *The Social Contract*, Spring, 2005, <http://tinyurl.com/nn28s>
9. Estimated 2012 Foreign-born Population: 40,824,658  
Estimated Native-born Population: 273,089,382 for a total of 313,915,040 yielding a foreign percentage of 13.00504% from S0501: “Selected Characteristics of the Native and Foreign-Born Populations” based on 2012 American Community Survey 1-Year Estimates [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_12\\_1YR\\_S0501&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_1YR_S0501&prodType=table)
10. “Work Until You Die? More Middle Class Americans Say They Can Never Retire,” by Halah Touryalai, *Forbes*, October 25, 2013 <http://www.forbes.com/sites/halahtouryalai/2013/10/25/work-until-you-die-more-middle-class-americans-say-they-can-never-retire/>
11. “Student Loan Problems: One Third of Millennials Regret Going to College,” by Halah Touryalai, *Forbes*, May 22, 2013 <http://www.forbes.com/sites/halahtouryalai/2013/05/22/student-loan-problems-one-third-of-millennials-regret-going-to-college/> See also “U.S. Colleges Are Both Victimizers and Victims of Mass Immigration” by the author, the *Social Contract*, Fall, 2012, <http://tinyurl.com/victimizer-University>
12. For a less than five-minute summary, see “Professor Norm Matloff’s H-1B Web Page,” <http://heather.cs.ucdavis.edu/h1b.html>. Professor Matloff provides considerable documentation via his short op-eds and via his lengthy articles in academic journals.
13. “Top 400 Americans Net Worth Calculated,” *Forbes*, September, 2013 <http://www.forbes.com/forbes-400/list/> (The magazine noted that the wealthiest man in the world, Slim Helu and his family, topped Gates by only about \$1 billion.)