

Illegal Immigration, Ukraine, and the Economy

Description



By U.S. Customs and Border

Protection – CBP Processing Unaccompanied Children, Public Domain,
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Mainstream media and the administration are pushing a narrative that funding for the Ukraine War and illegal immigration is helping the economy, both of which are complete nonsense. In fact, a Washington Post story on this topic begins by saying that “the [economy is roaring](#),” and then goes on to explain how this amazing economy is driven by immigrants who are responsible for job creation.

Although they have twisted the interpretation of the economic data to make it appear that the economy is doing well, the average American [is worse off](#) than they were five years ago. Biden claims job creation, but the number of full-time jobs has been in steady decline. The [number of part-time](#) jobs is growing, and this is because of an influx of millions of people for whom minimum wage and no benefits are better than what they left behind. Twitter is full of ironic posts by conservatives saying, “Biden created X number of jobs, and I have three of them.” The number of Americans working two or more jobs has [increased by 28%](#) under Biden.

Wages have increased only modestly, while prices are up a [cumulative 21 percent](#). Biden claims inflation is falling, but what he actually means is that prices are [rising more slowly](#) than they were a year ago. That is not much of a help if you already cannot afford to make ends meet. Gas is still about [42% higher](#) than before the pandemic, and food [is up 25%](#). The reasons why your dollar is buying less are because of government spending, credit expansion, deficits, debt, and money printing.

The funding for the Ukraine war is a perfect example. While there may be very legitimate national

security reasons to defend Ukraine and oppose the expansion of Russia, it is not true that Ukraine funding is growing the US economy. The Wall Street Journal claims that the aid given to Ukraine benefits the US economy because much of it is actually [paid to US defense](#) contractors. And while this is true, that money represents government debt. The government is literally borrowing from Peter to pay Paul.

Government debt-funded spending helps a few US firms, but debt causes inflation and currency devaluation, which hurt Americans now. It also hurts Americans in the future in the form of taxes needed to repay the debt.

Illusory economic growth stemming from debt-fueled government spending is temporary and unsustainable. The boom must end in a bust, which will be even worse than our current economy. Government debt must be repaid with interest, and interest rates are currently dramatically higher than in 2019. Currently, the Fed discount window interest [rate is 5.5%](#), and the monthly interest rate on US government [debt is 3.15 percent](#).

Another issue with increasing America's debt to defend another country is the opportunity cost. Buying weapons for Ukraine is not an investment in productive assets. If you take a loan to buy a machine that allows you to earn income in the future, you calculate the income against the debt, and if you have a positive gain, you borrow the money. For example, you take a loan to buy a limousine and then charge people \$300 an hour to ride in it. But the money spent on Ukraine will never produce an economic return.

If the same amount of money had been put into education, research and development, or border security, America would see a return on its investment.

Turning our attention to border security takes us back to immigration. The Washington Post recently claimed that "[About 50 percent](#) of the labor market's extraordinary recent growth came from foreign-born workers between January 2023 and January 2024." All they are really saying is that 50% of the new jobs were taken by immigrants. This is not a benefit to the average American. The Congressional Budget Office claims that the economy will grow [by \\$7 trillion over](#) the next decade, and \$1 trillion of this is attributable to immigration.

The \$7 trillion figure is just a mathematical function of the average US annual growth times 10 years. And it is based on the highest Biden growth year, a one-time boost to the economy when Biden allowed people to get back to work after Covid. That [\\$7 trillion](#) will most likely take more like 15 years to materialize, assuming the US economy ever gets back to normal.

The [additional \\$1 trillion](#) attributed to immigrants is simply based on the projected increase in the size of the population. So, basically, what the data proves is that immigration makes the population larger, something we all probably knew. And these figures ignore the money spent on welfare, aid to immigrants and illegal immigrants, healthcare paid for by the state, the cost of educating immigrant children, the cost of courts and law enforcement, increased crime and drug use caused by open borders... all of which is funded by government debt which, as we have already covered, hurts the economy in the long term and diverts resources from other more productive activities or citizen services.

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