Abstract

Economic growth can not come without appropriate population composition, because we can produce products using robots but robots do not consume product. Using more robots can increase production but not consumption. If there is less consumption, then there will be less production i.e. GDP. So population is an important factor for economic growth.

President Trump’s recent remarks about US immigration policy cast a doubt about US economic growth, and this research suggests a change in immigration policy for economic growth.

To achieve economic growth goal, US needs higher birth rate than now. Under the current socio-economic condition, high birth rate is not expected. So, healthy population composition through appropriate immigration policy is the only solution to achieve GDP growth goal.

GDP Target & Tax Cut

President set a GDP goal of 4% growth not experienced recently.

Not Enough Young Labor

Japan, Germany and Italy

Advanced countries like Japan, Germany and Italy are experiencing slow economic growth. These slow growth partly come from too much burden to support old people and not enough next generation labor. It will cause further slow growth if not increasing in young labors through baby boom and/or immigration.

CONCLUSION

Comparing to other advanced economy countries, US currently have balanced population through healthy stream of immigration which is useful for continuing economic growth.

To maintain or improve population composition-enough workers to support elderly, US need young labor by higher birth rate or immigration. These immigration not only contribute to GDP growth but also increasing consumption by immigrants will contribute to higher GDP growth.