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Policy Questions for Evaluating Immigrant Use of Public Benefits

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The newly released report by the Center for Immigration Studies (CIS) entitled “Back Where We Started: An Examination of Trends in Immigrant Welfare Use Since Welfare Reform” fails to adequately address several important public policy questions central to evaluating immigrant use of benefits. Key policy questions include:

Is immigration a cost or a benefit to taxpayers?

The CIS report suggests in its conclusion that the response to immigrant use of public benefits should be to reduce the level of immigration. The implication is that taxpayers would benefit from a reduction of immigration. But the report itself does not support such a claim. In fact, comprehensive government-funded studies have found that increasing immigration would result in a net tax benefit for other Americans: although immigrants use benefits, they also pay taxes, and their tax payments are far higher than their benefits usage.

The most comprehensive study of immigrants’ fiscal impact was conducted by the National Research Council (NRC) in 1997. The NRC found that, on average, taxpayers receive a net \$80,000 gain (total taxes minus all fiscal costs) during the lifetime of each immigrant who comes to the U.S. In other words, immigrants more than pay their own way.

The increase in benefit usage identified by the CIS report from 1996-2001 occurred only in Medicaid and the State Children’s Health Insurance Program (SCHIP). The tiny changes in immigrant use of these programs would not affect the NRC assessment of immigrants’ overall positive fiscal impact.

Do immigrants have less of a work ethic than U.S. citizens? Are they quicker to turn to public benefits?

The CIS report points out that “most immigrant households using welfare have at least one person who works.” But the report nevertheless speculates that slightly higher overall usage rates by immigrants may indicate that public benefits are “seen as more socially acceptable in some immigrant communities than among natives.”

This assertion is not at borne out by available data. Although immigrants are more likely than natives to be poor in the early years after arrival, poor immigrants are far less likely than other poor Americans to use any kind of public benefits.

As a result, the overall proportion of immigrant-headed households who use public benefits is very similar to that of other households, as borne out by the CIS data. The only significant difference the report shows is in the Medicaid and SCHIP programs. The different usage rates in these programs is likely

attributable to immigrants' younger demographic profile. Since immigrants are more likely to be of childrearing age than the older native-born population, they are more likely to turn to programs such as Medicaid and SCHIP, which provide basic health care to children.

Is health care for immigrant children a good investment for taxpayers?

The CIS report compares immigrant use of benefits with that of native born Americans, and finds that the proportion of immigrant-headed households using three programs declined more than that of other households from 1996-2001. In contrast, the report shows that during these years the proportion of immigrant-headed households using Medicaid and SCHIP increased by 6 percent, compared to a 1 percent decline in proportion of usage by other households.

The slight increase in the proportion of "immigrants" using these programs is due to U.S. citizen children of working immigrants enrolling in SCHIP and related Medicaid expansions during the years examined. Congress enacted SCHIP and related Medicaid expansions in 1997 with the *goal* of increasing health insurance coverage for the children of working adults.

Is children's enrollment in publicly funded health care programs good or bad? To the authors' credit, the CIS report argues in favor of continuing health care for immigrant children and the children of immigrants. They point out that immigrants pay taxes from the moment they arrive, and that "denying them access to programs everyone else is allowed to use sends the message that they may come, but are not going to be treated like one of us." In addition, failure to provide basic health care to children is likely to cost more in the long run than it may save in the short run.

Is it fair to deny public benefits to taxpaying immigrants who are lawfully present in the U.S.?

A study such as the CIS report cannot answer the fundamental question of whether immigrants who are lawfully present in the U.S. and who pay the same taxes as other Americans should be able to obtain the same benefits. The answer depends on one's values. Significantly, national polls show that overwhelming majorities -- 79 percent -- of Americans support legal immigrant access to Medicaid and other health programs. Support is strong across regions, ethnic groups, and party affiliation. See NILC's website, www.nilc.org, for details on the 2002 poll conducted for NILC by Lake, Snell Perry and Associates.