
"The net costs of public assistance for illegal immigrants and the U.S. workers they displace will be between \$207 and \$280 billion . . . for the decade 1995-2004."

Illegal Immigrants Are an Economic Burden

Donald L. Huddle

Many critics argue that illegal immigrants in America take jobs away from U.S. citizens and take advantage of social services. In the following viewpoint, Donald L. Huddle argues that illegal immigrants drain billions of dollars from many sectors of government and the economy. Huddle contends that U.S. policies contribute to this growing crisis. Huddle is a professor emeritus of economics at Rice University in Houston.

As you read, consider the following questions:

1. What percentage of illegal immigrants are low-skilled, according to INS data cited by Huddle?
2. According to Huddle, which states bear the greatest burden from illegal immigrants?
3. How do asylum-seekers become illegal immigrants, according to the author?

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Rising public concern over the fiscal costs of immigration at both national and local levels has intensified a search for political and administrative answers. Major states of immigration settlement—California, Texas, Florida and New York—are pressing Washington in the courts and in Congress for reimbursement of the costs to them of public assistance to rising numbers of illegal immigrants due to federal indifference and inaction. Pressed to find new savings, Congress has tightened eligibility conditions for some immigrant public assistance programs. . . .

The Social Costs of Job Displacement

According to the Council of Economic Advisers in their 1994 report to President Clinton, between 1981 and 1990 about two million full-time workers per year lost their jobs. These workers spent an average of 30 weeks unemployed, and of those who found new employment one-third lost more than 20% of prior earnings. The impact of job loss was much greater, however, for the low-skilled and less educated. The real income of the bottom 60% of American families was more than 20% lower by the early 1990s than 20 years earlier. By 1993 those with less than a high school education had a 12.5% unemployment rate compared with 3.5% for those with a college degree. Those with a high school degree had an unemployment rate of 7.2% compared with about 2% for those with advanced and professional degrees. The 8.7 million unemployed lost \$197 billion in wages in 1993 alone, about 7% less than in 1992, a recession year. A major part of the loss was sustained by low-skill labor.

In 1982, federal payments to a displaced worker with dependents averaged around \$7,000. By 1993, the annual cost for an unemployed worker who qualified for Medicaid, Aid to Families with Dependent Children (AFDC), food stamps, unemployment compensation, and general assistance had risen to more than \$11,000.

The question is: how much unemployment was caused by displacement and what was the cost? We begin by asking how many illegal aliens were residing in the United States by 1994? The exact number is unknown, but estimates by the INS [Immigration and Naturalization Service], the Census Bureau, and the Center for Immigration Studies (CIS) place the number at between 4 and 5.4 million. INS data indicate that approximately 86% of the undocumented are low-skilled and that 77% are working. Thus, 2.65 to 3.58 million illegals by these estimates are working in low-skill jobs in the U.S. as of 1994. Given that the overall U.S. unemployment rate was lower than the norm during the 1994 economic recovery, we further conservatively estimate at the current time a displacement rate of 25%, i.e., each 100 working low-skill illegals displace 25 U.S. low-skill

workers. Then between 663,000 and 894,000 U.S. workers were displaced during 1994. The final adjustment accounts for the fact that not all displaced workers actually qualify for Medicaid and other social programs. Thus, we lower per capita program costs by using only the average utilization rate for each program by the unemployed and arrive at an adjusted total cost of \$3.6 to \$4.6 billion in 1994 due to displacement.

While \$3.6 to \$4.6 billion is not a huge number compared with the total losses of the 8.7 million unemployed, we must remember that it represents only the public service costs of displacement, i.e., what it costs the U.S. taxpayer. The displaced worker himself loses many times this amount in wages and benefits. Nor is this the end of the story, for the undocumented also consume public resources that must now be accounted for.

The Costs of Public Assistance

It is true that some federal and state programs are off limits to the undocumented. But others are not. For example, in the Texas School Case *Plyler v. Doe*, *Guardian, et al.*, five of nine justices of the U.S. Supreme Court ruled that children of illegal aliens had a constitutional right to a free public education. Free public education includes not only primary-secondary education for the undocumented, but also for the "citizen children" of illegal immigrants, i.e., children born to illegal aliens residing in the United States who become citizens by right of birth here. Illegal aliens and their children are also eligible for other education-related programs including student aid, public higher education, school lunch, AFDC, compensatory education, Head Start, adult education, and bilingual education.

Illegal aliens with citizen children also qualify for food stamps; housing assistance; women, infants, and children (WIC); unemployment compensation; job training; Medicaid; the earned income tax credit; and general assistance. Illegal aliens also cause other costs such as criminal justice and corrections, the costs of federal and state highway maintenance, social security for the injured and disabled (SSI); and costs of county and city services—health, police, fire, libraries, parks and recreation, judicial, legal, highways, sewage, welfare, and administration.

As part of a broader study for Carrying Capacity Network, a nonprofit, nonpartisan organization devoted to the study of environmental and population issues, the education, social cost, and incarceration costs of illegal aliens and their citizen children was estimated for the year 1993. The study used a wide variety of federal and state government documents, such as the 1990 Census, the Statistical Abstract of the U.S., the Economic Report to the President, the Digest of Education Statistics, and U.S. Department of Commerce data among many others, to determine the

cost of illegal immigration by each cost category. For example, the cost of primary-secondary education was found to be \$4.4 billion in 1993. This was determined by using the national per capita cost of K-12 education of \$6,336 for a school-age population of illegals of 689,520 (80% of school-age illegals). Using census data once again, we determined that there were 557,940 school-age citizen children, of whom 446,352 were actually in school according to the 1990 Census, costing a total of \$2.8 billion. This same procedure was followed for some 25 cost categories with appropriate modifications of data for each public service.

More Reliance on Public Assistance

Where more direct data were not available, the actual reciprocity rate of immigrants—for example the 1990 Census showed that 86% of noncitizen immigrant children attended school K-12—was adjusted by the actual immigrant public assistance recipient rate of 44.2% from the 1990 Census. This means that immigrants, on average, receive 44.2% more public assistance weighted by the frequency of receipt and the amount of assistance received than does the remainder of the U.S. population. For example, the 52.5% of school-age population getting free school lunch was increased to 75.7% of school-attending illegals due to their greater poverty and public service reciprocity rates.

Using a similar methodology, the total of all public service costs for illegal aliens and their citizen children was calculated to be between \$19.6 and \$26.5 billion depending upon whether we apply the INS estimate of 4 million illegals or the CIS estimate of 5.4 million illegals, the latter including 550,000 citizen children. The most costly individual programs were public education, \$5.6 to \$7.6 billion; county and city services, \$5.8 to \$7.8 billion; social security, \$2.6 to \$3.5 billion; and bilingual education, \$1.3 to \$1.7 billion. From the \$19.6 to \$26.5 billion total must be subtracted all city, county, state, and federal taxes paid by the undocumented totaling \$7.6 to \$10.3 billion. Total costs minus the total taxes paid in results in total net costs of between \$12 to \$16.2 billion. When public service costs are added to the average \$4.1 billion displacement costs for U.S. workers the overall total cost range is then between \$15.6 and \$20.8 billion in 1994.

Projecting Future Costs

The Carrying Capacity Network study also projected the future costs of illegal immigration to the United States. By assuming no changes in policy or enforcement, the nation's illegal immigrant population was projected to rise from 5.1 million to 8.1 million by the year 2003.

The Carrying Capacity Network study conservatively projects

that the stock of illegal settlers will grow by an average of 300,000 per year based on current estimates of the Immigration and Naturalization Service. These figures represent the net growth of the stocks of illegal immigrants after taking into account projected emigration and death rates of 1.5% and .5%, respectively. It is also assumed that tax collections will grow by 4.87% annually and that the skill profile of illegal immigrants entering after 1993 and the displacement factor of 25% will both continue.

There is considerable evidence, however, that would support even higher projections of illegal immigration than these if current policies are continued. For example, the Center for Immigration Studies finds that there were 1.21 million immigrants nationally in 1992, if asylum entrants are included (given that about two-thirds of asylees become, *de facto*, illegal immigrants by not appearing for their hearings). The Center expects this number to continue rising along with total immigration. The Census Bureau's 1992 high projection of all immigration is 1.37 million annually by 2080. Demographers Dennis Ahlburg and James Vaupel find total immigration rising to 2 million by 2080. The INS itself raised its own estimate of illegal immigration from 200,000 yearly to 300,000 yearly. Further increases may well be in store for the U.S. given deteriorating economic and political conditions in Mexico and the Third World.

Using our previous estimates of illegal alien stocks of 4 to 5.4 million and growth by 300,000 yearly, we find that the net costs of public assistance for illegal immigrants and the U.S. workers they displace will be between \$207 and \$280 billion in present value 1994 dollars for the decade 1995-2004. . . .

Clearly, the current and prospective costs of education and public assistance for illegal immigrants, their citizen children, and those they displace is a massive diversion of federal and state resources from alternative investments with greater potential return. Hardest hit by the state and local shares of these costs are California, New York, Texas, Florida, New Jersey, and Illinois, where nearly 80% of illegal immigrants settle. Since the late 1980s the federal government has actually cut back its contribution to state-run assistance programs to refugee and other humanitarian entrants, while increasing the numbers admitted.

Other Costs and Benefits

Obviously the major driving force behind illegal immigration is jobs for the illegal him or herself and a hard working, compliant, nonunion labor force for the employer—a labor force that insures lower costs and higher profits for employers. Survey data indicate that illegal immigrants also come for a better life for both themselves and their children, including a better educa-

tion. Many illegals who originally came just to earn money change their objectives as they are in the U.S. longer and assimilate to the blue-jean and fast food culture and the possibility of upward mobility.

Pro-immigration advocates have often pointed out that by benefiting the employer's bottom line, and by spending their earnings in the U.S., illegals also help to create jobs. George Borjas, an immigration researcher and professor of economics at the University of California at San Diego, finds that immigrants, legal and illegal, probably contribute about \$6 billion net income yearly to the U.S. economy. This is less than one-tenth of 1% of our \$6 trillion gross national product (GNP).

Borjas finds two offsetting effects. First, he estimates that native-born workers lose \$114 billion a year from immigrant competition for jobs in the way of wage depression. On the other hand, employers and owners of capital gain about \$120 billion per year from the same wage effect. This class of winners includes the more affluent middle class who hire immigrants for nannies, gardeners, and home remodeling jobs.

The above income effects are for all immigration, legal and illegal. Illegal immigrants constitute almost 25% of all immigrants arriving since the year 1969. Thus, the gross wage loss imposed by them on the native-born would be about \$28.5 billion and the gain they yield to their employers and the affluent would be about \$30 billion. The overall net gain to employers in the private sector minus the losses of native-born employees due to illegal immigration is the difference of \$1.5 billion.

However, this overall net gain to the economy of \$1.5 billion is more than offset by the public service, education, and incarceration costs of illegal immigrants of between \$15.6 and \$20.8 billion yearly, resulting in an overall loss for both public and private of between \$14.1 and \$19.3 billion as of 1994.

Environmental Costs

Among other costs not included up to this point are costs related to the environment, which accompany population growth. These include costs of compliance with clean air and clean water acts, preservation of wetlands, and toxic waste disposal. One example of such costs that the Carrying Capacity Network study was able to determine was the uncompensated environmental and resource costs of operating motor vehicles. These costs, estimated at \$.30 per mile by the Todd Littman study in 1993, are projected to total \$2.8 to \$3.8 billion in 1994 dollars, depending upon whether the resident population of illegals is 4 million or 5.4 million, and are projected to total between \$31.2 and \$42.2 billion over the 1994 to 2004 decade.

Adding the environmental costs of driving to the prior national

deficit results in an overall private, public, and environmental cost of between \$16.9 and \$23.1 billion in 1994 and approximately \$175 billion to \$240 billion over the 1994 to 2004 decade.

Other costs not addressed in the current study would add billions more to the above totals. The major costs not quantifiable at the current time are: the costs of public assistance obtained by ineligible immigrants through fraud; the costs of screening, admitting, and administering illegals in federal Departments of Justice, Health and Human Services, Labor, and State; costs in border communities and states of subsidized education for foreign commuter students illegally receiving residential tuition rates in public school and colleges; the value of income taxes and other non-FICA [Social Security] taxes foregone because of the unemployment of displaced U.S. workers and due to depressed wages, or the costs of retraining and relocation aid to them; other environmental costs including the compliance costs of the clean air and water acts, preservation of wetlands, and disposal of toxic waste; finally we have not added the costs to which all legal residents contribute: national defense, national parks, interest on the national debt, and subsidies to government enterprises.

Avoiding Future Costs

It is by now obvious that the current high levels of illegal immigration are costly to the taxpayer. In the private sector, there is a trade-off. The affluent middle class and owners of capital gain substantially from the cheap labor of illegal aliens. Competing laborers, particularly the low-skill, non-college workers, lose out from displacement and wage depression, more than offsetting the private sector's gains. The public sector losses are very large while the private sector gains and losses are more or less offsetting. But, while largely offsetting, the private sector changes greatly worsen the income distribution between the "haves" and the "have nots." This increasing gap exacerbates an already bad situation arising from the continuing internationalization of the economy and rapid technological change, both influences that have caused the loss of millions of high-wage factory and industrial jobs in the U.S. Reflecting these changes, U.S. income distribution is at its most unequal level since such statistics have been kept. The lowest one-fifth of the population now receives only 4.4% of aggregate income while the top one-fifth receives 44.6%.

In poll after poll large majorities of Americans, including native-born and Hispanic immigrants, want to curtail illegal immigration. This has not happened. The major governmental attempt to control and reduce illegal immigration was the Immigration Reform and Control Act (IRCA) in 1986. IRCA was a

compromise: more than three million former illegal aliens who had been residents in the U.S. since before 1982 were given amnesty. This included almost a million special agricultural workers (SAWs) who received special dispensation for having worked in United States seasonal agriculture for at least six months. The latter were needed, it was argued by powerful agricultural interests, to insure that the crops didn't spoil in the fields. The trade-off was that business interests allowed an employer-sanctions bill to pass. This required employers to request identification from all new workers hired to insure their legality, or else face stiff fines. To make the system workable, the border patrol and INS were to receive adequate resources to keep our borders secure and to check the documentation of new business hires.

Major Federal and State Benefit Programs Used by Immigrants

Aid to Families with Dependent Children (AFDC)
Supplemental Security Income (SSI)
General Assistance
Housing and Urban Development (HUD)
Community Development Grants
Foster care, adoption assistance, and child welfare
Medicaid, emergency services and services for pregnant women
State and local medical care
School lunch and breakfast programs
Headstart
Job Training Partnership Act
Title IV for Higher Education
Block grants for social services
Adult Education Grants
Women, Infants and Children (WIC) and other child nutrition
Home Energy Assistance

Source: Congressional Research Service of the Library of Congress

Immediately after IRCA passed, the numbers of illegal aliens apprehended at the border dropped precipitously—from almost 1.8 million in 1986 to 1.2 million in 1987 and 950,000 by 1989—as potential illegal entrants waited to see if the new system would work effectively. However, by 1990 border apprehensions were once again on the rise, reaching 1.3 million in 1993, 95% of whom were of Mexican origin, as the government failed to provide sufficient resources to the INS and border patrol. Both continued to be underfunded while factories churned out millions of fraudulent identification documents. Although most

employers dutifully kept new employee records as required by IRCA, INS had few investigation teams to check documents for authenticity. Subsequent research showed that massive fraud had occurred in the SAW program as illegal aliens in great numbers crossed the border to claim special agricultural employment status *after* IRCA had passed. According to subsequent INS investigators, perhaps two-thirds of the SAW applicants were fraudulent. In the meantime, the government has yet to develop or test a fraud-proof identification system even though this was required under IRCA itself.

Out of Control

Thus, years after IRCA, the system is moving further out of control with illegal immigration climbing dramatically by 50% to more than 1.3 million in just four years, forcing even the conservative Census Bureau to raise its estimate of permanent resident illegal aliens inflow by 50% from 200,000 to 300,000 yearly.

Border apprehensions are only one part of the problem. Up to 50% of illegal immigration occurs not at the border, but by legal entry and then by visa overstays. In the meantime, another leak has occurred in the system: asylees, a small problem as recently as 1987 when only 25,000 of them arrived, are arriving in ever-increasing numbers—144,000 in fiscal 1993 alone. The problem is that asylees cannot be held until their formal hearings due to a budget shortfall and subsequent lack of INS facilities. Typically asylees are released with a work permit and given a hearing date often well into the future. There is currently a huge and growing backlog. Only 34,000 claims were adjudicated in 1993, with 244,000 or more waiting for hearings. Even then about two-thirds of asylees do not appear at their hearings. Thus, they become *de facto* illegal immigrants secure in the knowledge that under current immigration policy it is highly improbable that they will be apprehended and deported. Only 36,686 illegal aliens were actually deported in 1993, less than 1% of those residing here even by the conservative Census Bureau estimates.

An Increasing Flow

And matters are likely to become worse. Instead of the improvement in jobs and incomes in Mexico and reduced illegal immigration that supporters of the North American Free Trade Agreement (NAFTA) promised, the agreement instead opened the wallets of banks and investors in the United States and Europe while stripping away the import protection used by Mexico to keep a stable peso. Internal strife in [the state of] Chiapas and the assassination of Institutional Revolutionary Party (PRI) presidential candidate Luis Colosio there were factors that exposed

an overvalued peso and, in just a few weeks, a financial crisis developed with peso devaluations greater than 40%. The U.S. has responded with credits in the billions and a promise by the Clinton administration of a credit bailout amounting to over \$40 billion. [In 1995, the United States agreed to provide up to \$20 billion as part of a \$50 billion international bailout.] But many members in Congress express doubts that the bailout is appropriate unless Mexico brings its own monetary excesses to a halt and institutes permanent monetary and democratic reforms.

Whether the U.S. did or did not cosign and arrange \$40 billion of Mexican government credits did not signify, as the Clinton administration has claimed, a world-shaking economic conflagration event. What it does mean is an increasing flow of illegal entrants, a flow already in the hundreds of thousands annually due to a toothless U.S. border policy and the Mexican government's yanking away from small farmers millions in credits and price supports even as cheap U.S. farm products swamp Mexico under NAFTA's low tariffs. The net result: millions of Mexican small farmers and their families will immigrate to Mexican cities and the U.S. Only now, these immigrants will be joining hundreds of thousands of other Mexican laborers, tradesmen, and small businessmen unable to make a living wage.

"It is estimated that [illegal immigrants] pay more money in taxes than they receive in social services."

Illegal Immigrants Are Not an Economic Burden

Frank Sharry

In the following viewpoint, Frank Sharry maintains that illegal immigrants are hard workers who use few government services. Sharry contends that illegal immigrants are unjustly blamed for America's economic problems. He insists that the number of illegal immigrants entering the United States and the extent of their dependence on social services are greatly exaggerated. Sharry is the executive director of the National Immigration Forum, an advocacy organization in Washington, D.C.

As you read, consider the following questions:

1. According to Sharry, what percentage of illegal immigrants come from Mexico?
2. In the author's opinion, what is the effect of policies targeting illegal immigrants already in the United States?
3. Where does the majority of illegal immigrants' taxes go, according to Sharry?

From Frank Sharry, "Myths, Realities, and Solutions," *Spectrum*, Winter 1994. Copyright 1994 by The Council of State Governments, Lexington, Ky. Reprinted with permission from *Spectrum: The Journal of State Government*.

The debate over immigration into the United States has heated up considerably. The covers of national magazines showcase the growing backlash against immigrants and the growing diversity of our population. Television and news accounts trumpet dramatic events, new policy proposals and the latest opinion poll. In fact, polls suggest the majority of Americans favor reducing the number of immigrants and refugees admitted to the country. They also make clear that Americans are confused about basic facts and actual effect of newcomers on society.

As the debate intensifies, the issue of illegal immigration is emerging as a primary focus of national concern and policy debate. Some argue our borders are out of control, that too many people are entering the United States illegally and that they are costing Americans jobs and taxes. They argue we should "cut off the magnet" of services, even if it means denying emergency medical assistance to undocumented immigrants and denying K-12 public school admission to undocumented children. Some promote the idea of a national identification scheme in which those who reside in the United States illegally are denied employment and services.

Others argue the problem of illegal immigration is wildly exaggerated, and that some politicians and interest groups are using fear tactics to win votes and raise money. They say undocumented immigrants are freedom-seeking risk-takers who take jobs American workers refuse and avoid using government services for fear of being detected and deported. They view efforts to drive undocumented immigrants out of the country as an ugly outgrowth of anti-immigrant sentiment, which is based less on a careful analysis of real problems, and more on economic uncertainty, racial fears and mean-spirited scapegoating.

How can the uninitiated make sense out of this controversial and emotional debate?

What the Facts Are

First, let's start by asking the right questions: What are the facts about numbers, composition and impacts of immigrants, and in particular, those who enter illegally? Do they take jobs, reduce wages and drain budgets as some claim? Or do they stimulate economic growth by working hard, keeping certain industries competitive and avoiding government services? What is the impact of immigrants, especially those who are here illegally, on state governments? Finally, what can be done to address the problems that exist?

Second, let's commit to a rational discussion based on facts, figures and findings, and avoid the hype and hysteria that only distorts the debate. If we do, we can calibrate policy reforms to avoid doing harm and deal with specific problems amenable to

policy responses.

How do most immigrants enter the United States? Most immigrants enter the United States legally. The most common misconception in the immigration debate is that most enter illegally. According to a poll taken for *Time* magazine, when Americans were asked how most immigrants come into the United States, 64 percent answered "illegally," and 24 percent said "legally."

However, the Immigration and Naturalization Service reports that in fiscal 1992, 810,000 refugees and immigrants were legally admitted from overseas, and that an estimated 300,000 entered illegally. Furthermore, the Immigration and Naturalization Service estimated in October 1992 that the total population of those in the country illegally was 3.2 million. The five states with the largest estimated numbers of undocumented immigrants are California (1.3 million); New York (485,000); Florida (345,000); Texas (320,000); and Illinois (170,000). A total of 31 states had fewer than 10,000 undocumented immigrants. What this means is:

- Eight of 11 newcomers to the United States each year enter legally.
- Those residing in the United States illegally represent 1.25 percent of the population.
- In California, where the debate is especially heated, the undocumented immigrants comprise 4 percent of the state population.
- To the extent there are impacts, these are concentrated in a handful of states.

Other facts defy stereotypes regarding illegal immigration into the United States. For example, the top three nationalities of undocumented immigrants in New York are Ecuadoran, Italian and Polish. In fact, on a national basis, Mexicans are the lead group, but only comprise 30 percent of the undocumented immigrant population. And nearly half of the 300,000 immigrants who settle in the United States illegally each year do not sneak across the U.S.-Mexico border. They arrive legally with tourist or student visas and remain beyond their expiration date.

Another common misconception is that one can distinguish legal and undocumented immigrants on sight. In fact, many undocumented immigrants live in "mixed" households, where some residents are legal and others are not. Many are on their way to becoming legalized; and many, like their legal counterparts, are here to reunite with families, find shelter from political, religious or ethnic violence at home, or to obtain a decent wage.

The Causes of Illegal Immigration

What causes illegal migration? People move in search of freedom, family and work. The causes of uncontrolled migration in-

volve economic disparities, underdevelopment, political upheavals, oppression, population pressures and environmental destruction. On a personal level, most people migrate by choice. They want to provide for their family, to seek freedom and opportunity, to reunite with family members and to give their children a brighter future. Others leave out of necessity. They leave to escape the knock on the door in the middle of the night, to flee the bombs and bullets of civil war, to get out from under the grinding boot of oppression and tyranny. Migration, particularly across national boundaries, is not generally for the tired and poor, but for the strong and courageous. Giving up the known for the unknown is an option chosen by risk-takers. Not surprisingly, most international migrants are young, and, contrary to popular belief, women make up nearly half of the population. Trends indicate the percentage of women on the move will increase in the coming decade.

Not Here for a Handout

Proposition 187 supporters claim that illegal aliens are flooding California in search of welfare, free health care, and education. Nonetheless, there is no evidence that Hispanic immigrants—legal or illegal—come to the United States looking for a handout. Even before Proposition 187 passed, illegal aliens were ineligible for welfare benefits, although any of their children born in the United States may receive assistance. Contrary to the image of Hispanic immigrants living off welfare, the vast majority of Hispanic immigrants work. Indeed, 86 percent of Mexican men over 16 years of age are in the labor force, compared with only 75 percent of non-Hispanic whites.

Linda Chavez, *Crisis*, February 1995.

Given world population growth and the prevalence of poverty and political violence in the developing world, is the United States destined to be overrun by illegal immigration?

Most international migrants stay within the less developed world: According to a 1992 World Bank estimate, there are 100 million international migrants, which represents one out of 50 people on the globe. Of that total, about two-thirds reside in less developed countries, with the rest settling or working in Western Europe, North America and Australia. On an annual basis, the United States receives—counting those admitted legally as well as those who enter illegally—about 1.1 million newcomers (700,000 legal immigrants, 120,000 refugees, and about 300,000 undocumented immigrants). Even when one adds the 450,000

workers, trainees and their family members who are admitted for temporary employment each year, the United States receives no more than 1.5 percent of the world's international migrants each year.

Most people uprooted by war and persecution are displaced in their own countries; most refugees (those who cross international boundaries in search of safety) seek protection in developing countries. The United Nations' High Commissioner for Refugees estimates that almost 20 million are counted as refugees. Of the total refugee population, about 90 percent seek safety in developing countries. The United States resettles 120,000 refugees a year (the refugees are screened and accepted from outside the United States), and receives about 100,000 asylum applications a year (those who come to the United States and apply for refugee status once here). This means that while the United States has one of the world's most generous refugee resettlement programs, no more than 1 percent of the world's refugee population finds its way here each year.

Impacts of Immigration

What is the economic impact of legal and illegal immigration on the United States? The impact is generally positive. According to an impressive body of knowledge from across the ideological spectrum, both legal and undocumented immigrants help our country's economic growth. In the most comprehensive study to date, the U.S. Department of Labor reported in 1989 that immigrants increase aggregate demand by encouraging investment; keep some U.S. industries competitive by increasing returns to capital; increase aggregate employment through higher rates of self-employment; and increase wages and mobility opportunities for many groups of U.S. workers. The same report notes that in cities with many immigrants, U.S. natives have not experienced widespread job displacement. Those who most directly feel the impact of job competition and wage pressures are earlier groups of immigrants.

What is the impact of illegal immigration on government services, costs and revenues? Undocumented immigrants work hard and use few government services. First, there are few federally funded public services that undocumented immigrants are eligible for. They include public school education from K-12; emergency Medicaid services; nutritional assistance to women, infants and children; and school lunch and breakfast. These services are available because the government has recognized that the social and economic costs of not providing them are likely to exceed the actual costs of providing the benefits.

The most concrete evidence of what social services undocumented immigrants do and do not use is based on Immigration

and Naturalization Service surveys of immigrants who were legalized during the Amnesty Program of 1987-1988. At the time of application, less than 1 percent of the legalized immigrant population received general assistance, Social Security, Supplemental Security Income, workers compensation and unemployment insurance payments. Less than half of 1 percent obtained food stamps and Aid to Families with Dependent Children.

Moreover, before legalization, undocumented immigrants survived the old-fashioned way: They worked. Prior to being legalized, 83 percent participated in the labor force, which is 5 percent higher than the general population. Men worked on the average two hours a day more than men in the general population. Undocumented women worked five hours a day more than women in the general population.

A Nonexistent Problem

Nevertheless, in 1986 Congress mandated that the federal government introduce the Systematic Alien Verification for Entitlement (SAVE) system to keep undocumented immigrants from using Aid to Families with Dependent Children, Medicaid and food stamp programs. A 1992 audit conducted by the Agriculture Department's Office of Inspector General on the food stamp program concluded that "State agency officials agreed that the SAVE system was required for a nonexistent problem because their experience has been that undocumented aliens do not risk detection by applying for (food stamp) benefits. . . . We were able to identify only one case in a California (food stamp) county office where the SAVE system identified an illegal alien who applied for (food stamp) benefits."

As a result of the fact that undocumented immigrants work to survive and use few government services, it is estimated that they pay more money in taxes than they receive in social services. Professor Julian Simon of the University of Maryland, author of *The Economic Consequences of Immigration*, said undocumented immigrants pay five to 10 times more in taxes than the costs of services they use.

Pleading for Help

If the impacts are generally positive, why are state and local governments pleading with the federal government for help? The federal government receives most of the taxes paid by immigrants and shifts most of the costs to state and local governments. It is estimated that about two-thirds of the tax dollars paid by immigrants—legal and undocumented—go to the federal treasury, while most of the health, education and social service costs that are incurred are paid for by state and local governments, according to 1993 testimony by Charles Wheeler of the National

Immigration Law Center before the U.S. House Subcommittee on Human Resources. That's because most of those services are funded at the state and local level.

To add insult to injury, since 1982 the federal government has curtailed funding of programs that assist immigrants. For instance, refugee resettlement assistance was reduced from 36 months to eight months, while the federal contribution to refugees' receipt of state categorical aid was eliminated, according to Wheeler's testimony. Total federal expenditures dropped from more than \$6,000 per refugee in 1982 to roughly \$1,000 per refugee in 1993. Title VI Bilingual Education experienced a 47 percent decline in real expenditures between 1980 and 1991. This occurred at a time when from 1985 to 1990 the number of students who were considered "limited English proficient" was rising by 52 percent.

The Wrong Approach

What are the implications of these facts, figures and findings? First, it is clear that illegal immigration has become a victim of cheap politics rather than a challenge to practice good government. Instead of looking to objective evidence, some politicians and anti-immigrant groups cite bogus studies and exaggerated statistics to blame a small proportion of the population for complex problems of economic uncertainty and budget deficits.

This is not to suggest we should ignore the problem of illegal immigration. To the contrary, I believe it is the duty of sovereign nations to regulate who enters their territory and uphold the rule of law. I also believe we have an obligation to enforce our laws in a humane fashion consistent with democratic standards. For example, I support carefully conceived enforcement policies directed at deterring people at border crossings and airports as long as the enforcement officials respect human rights and are held accountable for the way they treat applicants for admission. On the other hand, I disfavor enforcement policies that target undocumented immigrants already residing in the country. Attempts to root people out of the work force, schools, health clinics and neighborhoods by introducing national identification cards, denying basic services and carrying out raids do more to discriminate against legal residents who look or sound "foreign," terrorize undocumented immigrants, and shift costs to state and local governments, than they do to reduce illegal immigration.

The time has come for the federal government to acknowledge the short-term costs related to immigration, which are borne primarily by state and local governments. While newcomers pay proportionally more in taxes than they receive in services, those taxes are primarily federal; state and local governments do not benefit as much from immigrants' tax dollars. This is not merely

an immigration issue, but an issue of federalism. The federal government makes the policies, and the state and local governments feel the impact.

The Right Solutions

The immediate solution is for the federal government to create a viable assistance program for areas that receive the majority of new arrivals—legal and not. Redistributing federal largesse that is now going to states without significant immigrant populations to those areas disproportionately impacted by new arrivals is an equitable and intelligent approach to deal with the real health, education and social service costs borne by state and local governments.

The ultimate solution is to examine the root causes of immigration. Policies that treat international migration as a domestic enforcement issue will fall short of achieving the goal of curtailing illegal immigration. Grappling with causes rather than symptoms is neither easy nor politically popular. Nevertheless, it is where the possibility of progress lies.

The questions we should focus on, then, include: How can migration pressures be reduced by dealing with the "push" factors of relative poverty and political oppression, rather than fooling ourselves that heavy-handed enforcement is a sufficient response? What is the relationship among overpopulation, environmental degradation, underdevelopment, political instability, civil strife and migration? What policies and initiatives—such as trade, aid, debt relief, conflict prevention and resolution, voluntary family planning, comprehensive community development and democratic institution-building—might be carefully integrated and targeted to give people hope, security and opportunity at home, thereby removing the need to migrate?

The approaches suggested above may not be as appealing as heated rhetoric, inflated promises and highly visible crackdowns. It most certainly is not policy by sound bite. But it will produce results over time. In doing so, we enable the United States to continue its noble tradition of accepting legal immigrants and refugees, curtail illegal immigration and assist state and local governments to deal with the challenges of welcoming newcomers. Let us hope that rationality and responsible stewardship prevails over the politics of division and cynical opportunism.