

The Public Costs of Immigration

by Wayne Lutton

The governors of California, Florida, Arizona, and, most recently, New Jersey have filed lawsuits against the federal government in an attempt to recover at least some of the costs they have been forced to incur due to the settlement of immigrants in their states. Other high-immigrant states, especially Texas, New York, and Illinois, may join the list. Despite claims by defenders of the status quo that immigration is a plus, the fiscal reality is that immigrants who have come to the United States since the passage of the 1965 Immigration Act — which opened the door to residents of the Third World — are generally less well-educated and possess fewer job skills and poorer command of English than immigrants of earlier eras. It should come as little surprise to learn that these newcomers are a net cost to U.S. taxpayers.

The most comprehensive analysis of the public costs of immigration has been prepared by Dr. Donald Huddle, professor emeritus of economics at Rice University. His study, *The Net National Costs of Immigration in 1993*, was commissioned by Carrying Capacity Network, a Washington, D.C.-based nonprofit organization that highlights population growth's impact on environment, resource conservation, and quality of life issues. Professor Huddle determined that in 1993, the 20.7 million legal and illegal aliens who have come to the United States since 1970 have cost this country more than \$44 billion in direct and indirect public assistance, after subtracting the taxes the immigrants paid.

- A total of \$32.25 billion was paid for direct public assistance and \$11.92 billion for indirect worker displacement.

- Over 55 percent of the net national costs of immigration are attributable to *legal* immigrants.

- An estimated 2.35 million American workers were displaced from their jobs.

The largest public assistance programs used by immigrants include primary and secondary public education (\$18.12 billion); Medicaid (\$9.05 billion); net county and city costs (\$6.88 billion); public higher education (\$4.87 billion); and bilingual education (\$4.1 billion).

If immigration is not reduced and access to

publicly-funded programs not restricted, the cost of immigration is bound to rise. After subtracting the taxes the immigrants are expected to pay, the net cost for the decade 1994-2003 will likely come to at least \$601.6 billion, or an average of \$2314 for every American.

Dr. Huddle's findings have alarmed anti-restrictionist activists. In May, The Urban Institute issued a report, *Immigration and Immigrants: Setting the Record Straight* by Michael Fix and Jeffrey Passel. Underwritten by the Ford Foundation, the ARCO Foundation, the Mellon Foundation, and the U.S. Department of Labor, the authors claim that immigrants provide a boost to the economy and pay more in taxes than they receive in benefits.

In order to arrive at this conclusion, Fix and Passel had to overestimate social security payments made by immigrants and underestimate the benefits they received. They also failed to acknowledge that immigrants displace American workers, which adds to social welfare costs and lost revenues. Furthermore, the Urban Institute undercounted the immigrant population by not including immigrants and their children who have been added to our population since the 1990 Census. Other public infrastructure costs were in like fashion ignored. When the Urban Institute's estimates are revised to account for these outlays, their "surplus" is transformed into the deficit that Dr. Huddle confirmed.

Michael Mandel, writing in *Business Week* ("It's Really Two Immigrant Economies," June 20, 1994, pp. 74-78), admitted that refugees and illegal aliens are a burden to U.S. taxpayers, but then asserted that, "by contrast" the majority of legal immigrants "more than pull their own weight in the U.S. economy." It is hard to justify this claim, given that 63 percent of the foreign-born people who settled in the U.S. over the past decade have come from Cuba, Haiti, the Dominican Republic, Mexico, El Salvador, Guatemala, and Indo-China. They do not possess the education and skills needed by a developed country.

[Copies of Dr. Huddle's study and his critique of the Urban Institute report are available from Carrying Capacity Network, 1325 "G" Street, N.W., Suite 1003, Washington, D.C. 20005-3104, (202) 879-3044.]

A California group called "S.O.S." (Save Our State) has been successful in placing an initiative on the fall ballot that proposes to bar illegal aliens from a variety of social services. We reprint the press release issued by S.O.S. on June 26, 1994.

S.O.S. Initiative Qualifies for November Ballot

The [California] Secretary of State's office announced today that the "Save Our State" initiative, co-sponsored by the Citizens for Legal Immigration Reform and the California Coalition for Immigration Reform has qualified for the 1994 November ballot.

The group turned in nearly 600,000 signatures, with representation from all 58 counties. According to the Secretary of State's office, this initiative has a validity rate of 84 percent, the highest validity rate ever achieved by an initiative in California.

This promises to be the hottest topic before the voters in the November election. It will be the first time the American public has had an opportunity to vote directly on an immigration-related issue. "By voting for the 'S.O.S.' initiative, we can begin to stop the flood of illegal aliens who are inundating California" states Ron Prince, a proponent of the initiative.

A *Los Angeles Times* poll in March showed 62 percent, including a majority of Democrats, support the controversial "S.O.S." initiative barring illegal aliens from a variety of social services.

The provisions of the initiative can be summarized as follows:

- **WELFARE:** Excludes illegal aliens from receiving public social services, and requires all public social service agencies to report to the INS any illegal alien who applies for public benefits.

- **HEALTH CARE:** Excludes illegal aliens from publicly funded health care (except for emergency care as required by federal law); public health care agencies are required to report any illegal alien to the INS.

- **EDUCATION:** Excludes illegal aliens from receiving educational benefits from elementary and secondary schools, as well as higher education. A transition period will be permitted for the illegal alien to return to his or her country of origin.

Requires the educational institution to report any illegal alien pupil to the INS.

- **FALSE DOCUMENTS:** Makes it a felony to manufacture, distribute, sell or use false citizenship documents to obtain any benefits reserved for legal residents; provides for mandatory fines and imprisonments.

- **LAW ENFORCEMENT COOPERATION:** Requires the identification and reporting to the INS of any illegal aliens who have been arrested by local law enforcement. Requires the state Attorney General to report to the INS any illegal aliens the above agencies (welfare, social services, health care, education, local law enforcement) have identified.

In May of this year, the House Appropriations Committee refused to forbid illegal aliens from receiving government jobs or benefits, rejecting a move that sponsors said would save billions of dollars a year. The Democratic-dominated panel defeated the effort on a pair of voice votes.

"This is not surprising," comments Mayor Barbara Kiley of Yorba Linda. "Year after year, the California legislature has talked about doing something about the problems associated with illegal immigration and every year nothing is ever done to solve the problem."

Last year alone, Assemblyman Dick Mountjoy submitted five different bills dealing with the issues that are in the initiative concerning illegal aliens, and all were killed in committee. These same issues were introduced in the form of amendments 29 times and were defeated on the floor of the Assembly along partisan lines. "We felt it was time to do something about the situation since it was obvious that both the state legislature and congressional leadership were only giving this issue lip service," stated Assemblyman Dick Mountjoy. ■