

# Immigration and Your Money

Americans today are either immigrants or descendants of immigrants - excluding the few that claim a pure line of native Indian ancestors - from most parts of the globe. Most came voluntarily to the New World looking for a new life and opportunity while others moved to escape extreme poverty or death (the Irish during the Potato Famine in the late 1840s); a minority were transported involuntarily to tend the tobacco, cotton, and sugar plantations of the South.

The controversy about immigration initially appeared just before the Civil War with the antagonism between Nativists - those distinguishing themselves by being born in the United States - and newly-arrived Irish Catholic immigrants. Their conflict was illustrated in the 2002 film *Gangs of New York* and the exploits of William Poole, better known as "Bill the Butcher." In the years since the controversy appears whenever economic times are difficult, and the population is fearful.

Emotions about immigration are often and easily manipulated by partisans on both sides in times of economic uncertainty. Knowing what is factual and what is fiction is particularly tricky in the unregulated, anonymous world of social media. Separating truth and fears requires facts when answering questions like

- Who are the immigrants - Demographics?
- How have immigration laws changed over time?
- How do they affect the nation's economy?
- Do they take other Americans' jobs?
- Do they keep wages and salaries low?
- Do I pay more taxes due to illegal immigrants?
- Do they endanger America's security?

## Immigration Demographics

According to the Migration Policy Institute, there are approximately 45 million immigrants in the United States today or about 13.5% of the population. Their children born in the country almost double the figures to 87 million and 27% respectively. Over 80% have lived in the country more than five years, and almost one-in-three (31%) own a home.

### What was their country of birth?

A common misperception is that immigrants predominately come from Latin America, sneaking over the border. While Latin Americans accounted for 37.2% of immigrants in 2016, the composition of immigrants has changed significantly in the past half-century. In 1960, the largest immigrants groups were Italy, Germany, UK, and Canada. European countries accounted for almost one-half (48.5%) of the total, and the Soviet Union (7.1%) had a higher share than Mexico (5.9%).

In 2016, Mexico (26.5%), India (5.6%), and China (4.9%) were the country of origin for most immigrants. Mexico and Central American countries including Cuba accounted for the largest proportion of immigrants - legal and illegal - but were not the majority. Asia represented slightly more than 20%, and the rest of the world 42.5%.

## **How many people live in the U.S. illegally?**

Many believe most foreign people are in the U.S. illegally. That is not true. Pew Research estimates that illegal immigrants account for about 24.5% of the immigrant population, but a meager 3.4% of the U.S. population in total.

## **Are all immigrants unskilled, uneducated, low-wage workers?**

The conservative Cato Institute claims that immigrants are "generally much better educated than U.S.-born Americans are. . . [And] 62 percent more likely than U.S.-born natives to have graduated college." More than one-half of the illegal immigrants had a high school certificate or higher.

The MPI found that one-half of immigrants have a high school diploma or higher education. Two-thirds of aliens over the age of 16 are employed with almost a third (31.6%) in management, business, science, and the arts compared to 38.8% of native-born. However, more (24.1%) are engaged in low-wage service jobs versus than native-born (16.8%).

In contrast to the stereotypic immigrants, the foreigners that work in the country with H-B1 visas have bachelor degrees or higher and work in specialized fields such as IT, engineering, mathematics, and science. The visa program was created to allow companies to hire foreign workers to work for three years (possibly extended) in specialty occupations for which there are not enough skilled Americans to fill the positions.

The majority of H-B1 visa holders come from India, followed by China. President Trump and others have complained that the H-B1 visa holders compete with Americans for high-paying jobs and the President has directed Immigration Services to be more vigilant to ensure the program is not abused.

Many H-B1 holders become permanent residents with approved "green cards" - the slang term for the photo identification card issued to a U.S. legal lifelong resident - and may ultimately become citizens.

## **How porous are America's borders?**

Most discussions about illegal immigrants focus on the country's southern border, a 1,954 mile-long stretch between the Pacific Ocean and the Gulf of Mexico and the most frequently crossed border in the world.

Illegal southern border crossings have declined over the past decade, according to Department of Homeland Security (DHS) statistics, undetected, unlawful entries falling from almost 850,000 in 2006 to less than 100,000 in 2016. Furthermore, DHS estimates that they are successful in detecting an illegal entry more than 90% of the time.

Illegal crossings between Canada and the U.S. have become increasingly popular, according to a 2018 CBS News report. Border Patrol agent in charge Norm Lague notes that the 5,525-mile-long boundary is in more difficult terrain and includes many businesses and buildings that straddle the line between the two countries. At the same time, Lague's force lacks the resources of the southern border.

## Is the U.S. visa program effective controlling foreign visitors?

Contrary to popular opinion, the majority of illegal residents (66%) did not surreptitiously cross a vulnerable border in the dead of night, but landed at a major airport and cleared customs with a visa. When it was time to leave, they just stayed. Republican Senator Marco Rubio claimed that 70 percent of the people here [Florida] illegally came in on [an] airplane. They overstayed a visa."

While the majority of foreign visitors entering on a visa return to their home countries, 42.7 million individuals crossed the border with visas in 2016. Even a small percentage of over-stays would dwarf the more emphasized southern border crossing.

## Immigration Laws

Congress has passed multiple immigration legislation over the centuries including

- **Naturalization Act of 1790.** The Act established the time required for citizenship at 2 years (amended in 1795 to five years).
- **Steerage Act of 1819.** The legislation required ship captains to maintain a list of all immigrants for identification purposes. The number of legal immigrants was established by each state, rather than the Federal authorities.
- **Chinese Exclusion Act of 1882.** Chinese immigration was prohibited for a ten year period with the right to citizenship eliminated. The racial exclusion policy lasted until 1952.
- **Immigration Act of 1907.** People with physical or mental defects, tuberculosis, and unaccompanied children were excluded from immigration while Japanese immigrants were restricted.
- **Quota Law of 1921.** Congress passed the national origins quota system that set limits on the numbers of immigrants from countries around the world.
- **Immigration and Nationality Act of 1952.** The Act limited immigration from the eastern hemisphere while leaving the west hemisphere unrestricted. The Act established a preference for skilled workers and relatives of U.S. citizens.

- **Immigration Reform and Control Act of 1986.** The Act legalized aliens who had been in the country since 1982, established a new classification for temporary agricultural workers, and required the status of immigrants married to U.S. citizens be conditional for two years.

While tweaks have occurred in immigration policies through riders and regulations since 1990, Congress has been unable to agree on a comprehensive reform of the nation's immigration laws. The issue is particularly contentious between the political parties who have failed to reach a compromise acceptable to each.

## **Immigration and GDP**

### **What is the relationship between GDP growth and immigration?**

Many nativists presume that new immigrants burden the economy, slow it down, and reduce the native-born' share of the GDP pie. However, economists across the political spectrum generally agree that immigration and the economy are positively related, i.e., as immigration increases, the economy grows. A team of Moody's Analytics estimated that for every 1 percent increase of immigration, GDP rises 1.15%.

Even undocumented aliens contribute to the country's growth, according to a 2016 study by economists Ryan Edwards and Francesc Ortega. The pair corrected for the undocumented workers' assumed lack of skill while estimating their GDP contribution of about 3% or \$5 trillion over a ten-year period. They also calculated that deporting the 11.3 million illegals would be "an almost \$8 trillion hit to the economy over the next 14 years."

A 2017 University of Pennsylvania study projected that President Trump's plan to reduce immigration by half with a priority for those with college degrees and English-speaking would decrease GDP by 2% over the long-term and cost 4.6 million jobs. To understand the effect of enacting the President's policy regarding immigration, the Tax Foundation estimates that adopting the announced tariffs would have about 10%-20% of the impact of implementing the President's immigration plan, causing a decline of 0.59% in GDP, reduce wages by 0.38%, and cost 459,816 jobs.

### **Why does immigration matter in GDP growth?**

Simply stated, more people means more buyers of goods and services which increases the size of the market. As a consequence, the economy enjoys more consumption, more production, and higher savings. Consumer spending accounts are the primary driver of economic activity, accounting for approximately two-thirds of the U.S. economy.

Heightened demand for goods and services stimulates greater production which, in turn, requires greater productivity, typically producing more jobs, higher wages, and profits. This cycle repeatedly occurs, pushing GDP higher.

## **Why not rely on the country's natural birthrates for population growth?**

According to World Bank Statistics, the average U.S woman in 2016 birthed 1.8 babies in her lifetime, less than the population's replacement rate. Elizabeth Bauer, an actuary, writing in Forbes magazine, notes that the country is "pretty nearly at the lowest rate of fertility [that] has ever been in the United States." The sustainable population rate is about 2.1 births per woman, accounting for the slightly higher number of male births (105 males to 100 females).

The United States is not the only country with a baby problem. According to the United Nations, fertility rates in all developed countries are less than replacement such as Europe's 1.6 births or Japan's 1.4 births per women. By contrast, the 47 least developed countries have around 4.3 births per woman.

## **What are the consequences of a lower-than-replacement birth rate?**

### **Total U.S. Population**

While the population will continue to increase for some years, annual percentages of population increase, as well as the rate of economic growth, will decline. The falling numbers of domestic customers reduce market demand, generates idle productive capacity, and decreases profits (or results in losses). Unemployment rates will increase as wages become stagnant. Domestic profits will likely decline, and international companies will transfer potential investments from America to growing foreign markets.

### **An Aging Population**

Americans as a whole live longer than ever before. Data collected by SeniorLiving found that white men and women born in 1900 could expect to live to ages 47 and 49 respectively. A black man born the same year (1900) had a projected life expectancy of 33 years and a black woman 34 years. A white man born in 2000 had an expected lifespan of 75 years, a white woman 80 years, a black man 68 years, and a black woman 75 years.

The combination of fewer births and longer lives results in general aging of society with the elderly constituting a growing proportion of the population. The Census Bureau expects the number of people 65 years and older to almost double from 2012 to 83.7 million in 2025.

### **Slower Economic Growth**

The Bureau of Labor Statistics reports that older Americans spend less than younger citizens in total, as well as for food, housing, clothing, transportation, pensions, and such things as alcohol, tobacco, personal care products, education, and private insurance. At the same time, the elderly spend more per capita on health care and entertainment. The economy will be slowed due to

lower total consumption levels due to the higher proportion of the aged, and some components are more likely to be affected than others.

## **Entitlement Programs**

As fewer workers pay into public programs like Social Security, Medicare, and Medicaid - since 1970, the ratio between workers and beneficiaries have fallen from 3.7 to and an estimated 2.3 to one in 2030 - the almost three trillion dollars annual cost of the entitlement programs will become financially unsustainable. While economists point to different factors that affect the programs' future viability, Bauer draws a direct link between the country's low fertility rate and the sustainability of the programs.

Philip Cohen, a professor of sociology at the University of Maryland, notes that when fertility falls, each generation is smaller than the generation before and struggles to support retirees.

Japan is especially concerned about the effects of low birth rates and has introduced many government programs to promote larger families. At the same time, the slowing economy is frequently cited as the reason Japanese people get married later in life or remain single. The country's hostility toward immigrants complicates its ability to attract immigrants to compensate for their lower birth rate.

## **Will developed nations compete for immigrants in the future?**

As developed countries economic growths begin to slow due to lower birth rates, it is reasonable to ask whether an international competition for legal immigrants will occur. Will countries increase immigration quotas or extend incentives for temporary workers to spend and live as non-citizens within the employing country's borders? Will stringent border controls be relaxed?

As the U.S. struggles with immigration as a solution for lower birth rates, its leaders must consider the cultural aspects of a significant wave of new immigrants. Will conflicts between nativists and the newly-arrived arise as before in America's past? Whatever the answers, the facts indicate that immigration has been a positive influence on the nation's economy, even those immigrants who cross our borders illegally.

## **Immigration and Employment**

President Trump has complained that open borders "have allowed millions of low-wage workers to compete for jobs and wages against the poorest Americans." Former Republican Senator Rick Santorum while announcing his candidacy for President, linked legal immigration to fewer jobs for Americans with his accusation that businesses have supported large numbers of unskilled laborers to lower their costs.

When discussing the impact of foreign workers, many observers, including the present Administration, link family members of the visa holders, illegal immigrants, and temporary

workers in the country on a work visa. In early 2018, the White House announced their intention to revoke the policy that allowed spouses to work while in the country.

## **Do immigrants take the jobs that might be filled by Americans?**

Steve Bannon, former chairman of Breitbart News Network and past policy adviser to President Trump, complained during a 2016 radio show that "Engineering schools are all full of people from South Asia, and East Asia... They've come in here to take jobs." As a consequence, Bannon goes on to charge that Americans can't get engineering degrees; they can't get into these graduate schools because they [the engineering schools] are all foreign students. When they [American students] come out, they can't get a job."

Research suggests that Bannon's comments are incorrect and over-stated, designed to appeal to the nativists. According to CNN Money, the contention that immigrants take jobs that would be otherwise filled by hard-working Americans is disputed by "an overwhelming number of economic studies and data," including

- U.S. Chamber of Commerce report stated that immigrants typically do not compete for jobs with native-born workers . . . native-born workers and immigrant workers tend to possess different skills that often complement one another, and are therefore not interchangeable."
- A recent report from the National Academies of Sciences, Engineering, and Medicine found "little evidence that immigration significantly affects the overall employment levels of native-born workers."
- A 2015 study by Drs. Gihoon Hong and John McLaren, economics professors at Indiana University and the University of Virginia respectively, found that each immigrant creates 1.2 local jobs for local workers, most of them going to native workers. Their report concluded that domestic workers benefit from the arrival of more immigrants.

According to Peter Cappelli, Professor at the Wharton School of the University of Pennsylvania, the unfilled jobs are not new jobs created by a strong economy, but positions vacated by workers leaving their jobs. He notes in January 2018 that employers hired 5.6 million people while 5.4 million quit work, generally voluntarily. The lack of employment for young college graduates or unskilled labor is due more to the reluctance of employers to hire inexperienced workers.

The Wall Street Journal reported in June 2018 that there were more job openings (6.7 million) than unemployed Americans (6.3 million). The job openings span the economy, available to lower-income, unskilled workers in food service and retail to accountants and software developers. To attract workers, employers have raised wages and relaxed standards on dress, tattoos, and body piercings, yet the jobs remain unfilled.

While each individual case is different, the statistical and anecdotal evidence from employers would indicate immigrants have minimal, if any effect on an American being hired to fill a particular job. As Adam Kamins of Moody Analytics summarized the labor market, "Most everyone who wants a job has one."

## Do Immigrants take jobs Americans do not want?

A 2017 Gallup Poll found that 72% of American adults believe that immigrants take jobs Americans do not want. This view has been consistent since 1993, but is it correct?

Daniel Griswold of the Cato Institute claims immigrants fill such jobs in retail, agriculture, landscaping, hotels, and restaurants enabling them to expand and create middle-class jobs for Americans as manager, bookkeepers, marketers, and others. At the same time, Thomas Swell, an economist at Stanford University, objects to the proposition that any job is undesirable, noting that they are "all jobs that Americans have done for generations before mass illegal immigration became a way of life."

Sowell and others like the Federation For American Immigration Reform (FAIR) assert that the immigrants are at fault for making a job undesirable, implying that the pay and working conditions were such before immigration that Americans would fill those jobs today. In short, in those industries where illegal immigrants are prevalent, the immigrants' willingness to accept low pay and poor working conditions has made the jobs unattractive.

Other research suggests that immigrants and native-born don't compete with one another since immigrants tend to be either high-skilled or low-skilled while Americans are more in the middle of the skill distribution. Immigrants are not substitutes for American labor but free up natives to do more productive higher-paying work.

The evidence seems to be that most immigrants do work in occupations which those native-borns tend to avoid due to physical labor at low pay in uncomfortable environments. Whether natives would be willing to take those jobs at a higher wage is unknown. Another unknown is whether companies in industries like agriculture could survive with the higher prices necessary to cover the higher labor cost.

In 2017, a group of 1,470 economists, including Nobel Prize winners, former chairmen of the Council for Economic Advisers, and former chairmen of the Office of Management and Budget (OMB) - representing past Presidents of both political parties, sent an open letter to President Trump that "immigration is one of America's significant competitive advantages in the global economy . . . Represents an opportunity rather than a threat to our economy and to American workers."

## Immigration and Wage Levels

Professor and economist George Borjas at the Harvard Kennedy School claims that workers who compete with immigrants, many of those being low-skilled Americans, send a \$500 billion check annually to employers as a consequence of lower wages caused by immigrants. His conclusion is based on

- **Supply-demand logic.** Dr. Borjas asserts that the greater supply of workers versus the number of low-skilled jobs, the lower wages employers need to pay for labor. He notes that most immigrants are young with minimal skills and consequently must compete with



equally unskilled Americans for jobs. His conclusions were drawn primarily on the impact of 125,000 Cuban immigrants - the Marielitos - on wages of American high school dropouts living in Miami at the time of the boat lift (1980).

- **Anecdotal.** The professor cites a decade-old case where a chicken processing plant in Georgia was raided by immigration agents and resulted in a 75% loss of their workforce in a single weekend. As proof of the negative impact of low-skilled immigrant workers on pay, Borjas claims the company placed an ad in the local newspaper announcing job openings at higher wages.

Borjas recognizes that the immigrant workers benefit from the competition, noting "their total earnings far exceed what their income would have been had they not migrated." However, he does recognize that the primary benefit goes to companies who make the extra profits, ignoring that the public can also benefit from lower prices.

## **Do immigrant workers keep Americans wages low?**

Steven Miller, President Trump's senior policy adviser, told reporters, "We've seen significant reductions in wages for blue-collar workers, massive displacement of African-Americans and Hispanic workers, as well as the displacement of immigrant workers from previous years who often compete directly against new arrivals who are being paid much less." Mr. Miller supported his claim of adverse effects on native workers by the research of Dr. Borjas.

In reality, the professor's conclusions ignored an earlier, broader study by Princeton economist David Card who researched "low-wage workers" as opposed to only high school dropouts and concluded that the influx of the Cuban immigrants had "virtually no effect on the wages or unemployment rates of less-skilled workers, even among Cubans who had immigrated earlier."

Harvard economist Lawrence Katz, a co-author with Borjas in the 2007 paper, *The Evolution of the Mexican-born Workforce in the United States*, disagreed with Borjas' findings. He subsequently wrote that "The effects of immigration range from 0 to a few percentage points and are swamped by the impacts of [a] slowdown in U.S. education supplies, technological change, and eroding labor market institutions (unions, minimum wages, rising outsourcing/fissuring of the workplace)."

Some economists such as Economist Pia Orrenius claim that immigration generates higher incomes for American workers - the immigration surplus - that amounts to \$36 to \$72 billion annually. Furthermore, the Senior Economist of the Federal Reserve Bank in Dallas claims the immigrants "grease the wheels of the labor market" by eliminating bottlenecks and shortages that might slow the economy.

While opinions continue to vary regarding the effect that immigrants have on wage rates, the consensus seems to be that immigration has either a positive or a negligible impact. Consider the changed position of America's largest labor organization:

After years of considering immigration as a threat to American labor, Richard Trumka, president of the AFL-CIO, announced a major effort to enlist tens of millions of non-union workers,

including immigrants who had not been included in its federation. He subsequently pointed out that undocumented workers are "getting killed and getting cheated out of wages."

While there is agreement that blue-collar wages have been depressed for more than a decade, most experts point to factors such as increased automation, globalization, i.e., competition with lower-paid foreign workers, declining unionization, and government policies on overtime.

## **Immigration and Taxes**

A common perception is that immigrants, especially those illegally crossing the border, increase the tax burden on American citizens due to

- Increased costs for public safety because immigrants are likely to commit serious crimes and are a physical threat to American lives and property.
- Increased healthcare costs since immigrants bring dangerous diseases into the country and rely primarily on public hospitals for medical care
- Illegal immigrants don't pay taxes.

The problem is exacerbated due to immigrants' resistance to assimilate into American culture. Ann Coulter, a controversial author with conservative views, writes in her book *Adios, America!* that the United States is becoming a "third world hellhole" because certain immigrants don't want to assimilate.

Jason Richwine, the co-author of a controversial study sponsored by the conservative Heritage Foundation, claims that some ethnic and racial groups - blacks, Native Americans and Mexicans - have "lived in the country a long time and have not assimilated into the cultural mainstream as typified by white Americans." Note: The study is no longer available on the Heritage Foundation website, and the organization has distanced itself from Richwine and the research.

## **Do immigrants increase crime rates and threaten American lives?**

One-half of President Trump's supporters believe that undocumented workers are more likely than citizens to commit serious crimes and 59% associate illegal immigrants with dangerous criminal behavior, according to a pre-election 2016 Pew research. Their attitudes were reinforced by the President's speech to Angel Families - Americans with a family member killed by an illegal alien - on June 22, 2018.

In the President's words, "According to a 2011 government report, the arrests attached to the criminal alien population included an estimated 25,000 people for homicide, 42,000 for robbery, nearly 70,000 for sex offenses, and nearly 15,000 for kidnapping." He went on to say that in Texas alone, more than 250,000 criminal aliens had been arrested and charged with over 600,000 criminal offenses during the last seven years. According to CNBC News, the President stated that more than 63,000 Americans were killed by illegal immigrants since 9/11.

According to subsequent fact-checks, the President's statements were either misinterpreted or misinformed. Over the years, multiple studies by credible authors and institutions have found that immigrants, legal or illegal, are less likely than native-born to commit a crime, including

- **Immigration and Crime study.** A report on immigration and crime published in 2017 by Dr. Frances Bernet of the Department of Criminology and Criminal Behavior at Texas A&M International University concluded "the urban crime problem is not generated by immigrants, legal or undocumented, and that immigrants are not increasing [sic] crime rates. Socially disadvantaged neighborhoods may, however, make immigrant groups more susceptible to crime victimization when social support networks do not exist or are lacking."
- **Criminal Immigrants in Texas study.** The 2018 report by senior analyst and economist Alex Nowrasteh of the Cato Institute of Texas data found that illegal immigrants had a criminal conviction rate 50 percent below native-born Americans while legal immigrants' criminal conviction rates were 66% below natives.
- **Violent Crime Study.** The 2018 study by Michael Light (University of Wisconsin) and Ty Miller (Purdue University) found that "rather than causing higher crime, increased undocumented immigration since 1990 is generally associated with lower rates of serious violence."
- **First and Second Generation Crime Statistics.** University of Massachusetts sociology professor Bianca Bersani's study printed in Issue 2 of the 2014 Justice Quarterly found that foreign-born are no more likely than native-born to be crime-prone and "foreign-born individuals exhibit remarkably low levels in crime across their life course."

Individuals of all ethnicities, races, and legal status commit crimes and their crimes can have devastating effects on their victims. Despite the lack of a centralized database that collects all crime data, there are no credible statistics or studies that indicate immigrants disproportionately increase crime rates or threaten American lives.

## Do immigrants increase health risks for Americans?

According to the Southern Medical Association, there is a "growing health concern over illegal immigrants bringing infectious diseases into the United States." Border Patrol Agent Chris Cabrera warns: "What's coming over into the US could harm everyone. We are starting to see scabies, chicken pox, methicillin-resistant Staphylococcus aureus infections, and different viruses."

Unlike legal immigrants who undergo medical screening before entry, illegal aliens undergo no medical screening to ensure they are not introducing contagious disease into the country. Accordingly, there is some risk that infected illegals could bring an infectious disease across the border. However, the source of infection is more likely to be "population mobility" due to one of the 300 million plus foreigners that temporarily visit the country annually for business or vacations or 15 million Americans who travel beyond the borders each year. While their pets, luggage, and any agricultural products are inspected at the border, the travelers are not.

Presidential candidate Trump released a statement in 2015 with the comment that "tremendous infectious disease is pouring across the border, " but did not respond to PolitiFact when asked for the relevant statistics. Neither the CDC nor the Department for Health and Human Services responded to Politifact's information request.

The fact-checking organization checked with other experts including

- Dr. Arthur Caplan at New York University's Langone Medical Center who stated, "There is no evidence whatsoever that this [a massive influx of infections across the border] is so. No study or survey says this. There is no outbreak or bump in disease attributable to immigrants."
- Dr. Thomas Fekete, chief for infectious diseases at the Temple University School of Medicine, noted, "When it comes to the health of immigrants, it is possible that undocumented folks have more health conditions that warrant concern, but I do not know of a scientific or quantitative assessment."
- Dr. Marc Schenker of the University of California at David found that "Immigrants are not responsible for an epidemic of infectious diseases in the U.S."

While a significant outbreak of an infectious disease has yet to break out, experts agree that the risk is there, mainly due to the international travel that is present. Any solution, however, that focus solely on legal and illegal immigrants only is likely to be ineffective and will not significantly reduce the risk.

## **Do immigrants increase health costs for other Americans?**

The perception that immigrants utilize the American healthcare system without payment is exaggerated. In 2016, approximately 56 percent of immigrants in the United States had private health insurance (compared to 70 percent of the U.S. born), and 30 percent had public health insurance coverage (compared to 36 percent of the native-born). About 20 percent were uninsured, compared to 7 percent of the U.S. born.

Since most immigrants are younger and healthier than native-born, their inclusion in the actuarial pool of health insurance lowers the cost for the older and less healthy Americans in private and public insurance programs like Medicaid. A 2018 report in the International Journal of Health Services found that immigrants make up 12% of the population, but account for about 8.6% of healthcare costs.

Furthermore, a 2016 Cato Institute study found that immigrants are less likely to use welfare benefits than native-born Americans. If they do use benefits, they "generally consume a lower dollar value relative to native-born Americans." Qualified (legal) immigrants have to spend five years in the U.S. before they can apply for Federal assistance. Furthermore, illegal immigrants are ineligible for entitlement and means-tested welfare programs except for emergency medical care.

The evidence from various studies and the opinions of most healthcare experts is that immigrants subsidize America's healthcare system, rather than abuse it.

## **Do immigrants pay taxes?**

Undocumented immigrants pay sales taxes and property taxes—even if they rent housing. More than half have federal and state income, Social Security, and Medicare taxes automatically deducted from their paychecks. As a consequence, undocumented immigrants provide an enormous subsidy to the Social Security system in particular. Each year, Social Security taxes are withheld from billions of dollars in wages earned by workers whose names and Social Security numbers do not match the records of the Social Security Administration (SSA).

According to Stephen Goss, chief actuary of the SSA, undocumented immigrants pay \$15 billion in payroll taxes into the Social Security Trust Fund with no intention of ever collecting benefits. He told CNN Money, "Without the estimated 3.1 million undocumented immigrants paying into the system, Social Security would have entered persistent shortfall of tax revenue to cover payouts starting in 2009."

A 2015 report from the American Immigration Council found the "the average immigrant contributes nearly \$120,000 more in taxes than he or she consumes in public benefits (measured in 2012 dollars)."

## **Immigration and National Security**

Steven A. Camarota, Director of Research for the Center for Immigration Studies, wrote in that "Foreign-born militant Islamic terrorists have used almost every conceivable means of entering the country. They have come as students, tourists, and business visitors. They have also been Lawful Permanent Residents (LPRs) and naturalized U.S. citizens. They have snuck across the border illegally, arrived as stowaways on ships, used false passports, and have been granted amnesty. Terrorists have even used America's humanitarian tradition of welcoming those seeking asylum."

According to the White House, "our current immigration system jeopardizes our national security and puts American communities at risk." In particular, the Administration claims the preference for family members to receive entry - chain migration - and the visa lottery program that allows for the random selection of foreign nationals (no consideration for education or skills).

In 2015, the Federation for Immigration Reform (Fair) suggested the suspension or elimination of the Visa Waiver Program. Initially passed in 1986 at the urging of the tourist industry, the regulation allows visitors from 38 countries with a low rate of visa refusals to be admitted into the U.S. for business or pleasure without a visa. Any traveler from the 38 countries who have visited or been present in Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen are ineligible for the program.

The tension between the idea of an "open society" and the needs for security in a dangerous world is especially raw since a small group of terrorists (19) hijacked four commercial airlines, flew them into New York City's World Trade Center and the Pentagon and killed and injured almost 10,000 people. Between 9/11 and August 2017, radical Islamic jihadists - foreign and

home-grown - carried out 23 different attacks, killing 119 victims. It is not surprising that the first reaction of many is to close the borders.

However, the reaction ignores the fact that the perpetrators were either foreign visitors who entered the nation legally or were born here. According to Dr. Mark Stout, director of Global Security Studies at John Hopkins Kreiger School, the anti-immigrant factions ignore the contribution of immigrants in wars and espionage work over the history of the country.

Stout notes that immigrants add significantly to the nation's "hard power" - the ability to exert military and security measures anywhere on the globe. He gives various examples of immigrant contributions including 10,000 qualified noncitizens serving in the Military Accessions Vital to the National Interest (MAVNI) program. While details and statistics are considered top security, it is likely that the FBI and the CIA employ immigrants as confidential informants to learn of potential attacks on U.S. citizens anywhere in the world.

The risk to national security arises from failures of the visa systems, rather than its immigration system. Accordingly, any extra costs borne by the average citizen due to national security risks of immigrants is barely measurable. Consider that the chance of an American being killed in a terrorist attack on American soil by a tourist with an H-B1 visa is 1 in 3.9 million while the possibility of being murdered by an illegal immigrant is 1 to 10.9 billion.

While improvements in the vetting process need to be made, the actual risks from immigration are not significant enough to warrant extreme actions such as a moratorium on all immigration or tourism.

## Final Word

Immigration has long been a controversial subject for Americans, despite the country's reputation as the world's melting pot. In times of economic or cultural stress, there is a tendency to blame immigrants for the troubles. At the same time, every nation needs to control its borders as a matter of security. The challenge is to find the balance between an effective immigration policy while protecting the people, assets, and ideals of the country.

According to a June 2018 Gallup Poll, more than one-half of Americans believe that current immigration levels should be kept at its present level (39%) or increased (28%) compared to those who think it should be decreased (29%). Three of four Americans (75%) believe that immigration is a good thing for the country. Both political parties agree on the need for comprehensive immigration reform but have been unable to reach agreement on specific details.

The problem is unnecessarily complicated due to the misperceptions and exaggerations about immigration held by many of the public. Advocates on both sides promote positions that are good for a political party or a specific group but are not in the long-term interests of the country. Rather than being part of the problem by passing on unsubstantiated claims, check the data, form your own opinion, and let your legislator know the approach you think best.

