

Heritage Immigration Report Predicts Huge Cost, Draws Ire

By: Elise Foley – May 6, 2013

To the chagrin of Republican senators who are pushing for immigration reform, the conservative Heritage Foundation unveiled a much-disputed study on Monday putting the cost of legalizing undocumented immigrants at \$6.3 trillion over the next 50 years. The Heritage report, authored by Robert Rector and Jason Richwine, drew fire well before it was released, and criticism of its conclusions only expanded on Monday. The report's cost figure is based on an estimate that legalizing all undocumented immigrants currently in the United States would cost the government \$9.4 trillion, while bringing in \$3.1 trillion in new taxes.

"It's clear a number of people in Washington who might benefit from an amnesty, as well as a number of people in Congress, do not want to consider the cost," Heritage Foundation President and former South Carolina Republican Senator Jim DeMint said at a press conference Monday, adding that immigration reform advocates seem to be playing "tricks" to show lower costs, as he said health care reform advocates did for Obamacare.

At the press conference, DeMint and Rector repeatedly compared the bipartisan Senate "gang of eight" immigration reform bill to Obamacare and to a 1986 "amnesty" bill that is widely considered to have led to more unauthorized immigration.

Rector acknowledged that the Heritage report leaves out some aspects of immigration reform that many expect to help the economy, such as streamlined legal immigration. The report also makes certain assumptions about welfare use and whether now-poor undocumented immigrants would remain so if they were to gain legal status. It concludes that the status quo -- which Rector and DeMint both said is a bad immigration system -- is ultimately better for taxpayers than the "gang of eight" bill, saying the proposed legislation would simply lead to more unauthorized immigration.

"If we grant another amnesty, we really are sort of sending a message out to the world that we're going to have recurrent, repeated amnesties, which I think would be a sort of magnet," Rector said Monday.

Republican senators who are members of the "gang of eight" seemed especially displeased with the report, in part because they're likely to face heat over it. "Here we go again," Sen. Jeff Flake (R-Ariz.) tweeted Monday.

Former Mississippi Gov. Haley Barbour (R), a member of the Bipartisan Policy Center's pro-immigration reform task force, bashed the Heritage report shortly after it was unveiled. He said in a call with reporters that the report focused only on costs rather than on potential benefits of reform, and that it assumed no immigrants could find

upward mobility or improve their current economic situation. "This study was designed for a headline," Barbour said at one point, also calling it a "political document."

"This study is designed to try to scare conservative Republicans into thinking the cost here is going to be so gigantic that you can't possibly be for it," he said.

Republican supporters of immigration reform have reason to be frustrated: The Heritage report offers up plenty of quotable material to opponents of reform, only a few days before mark-ups begin on the "gang of eight" bill in the Senate Judiciary Committee.

"Gang of eight" Republicans have spent significant time arguing to their party that their bill would be beneficial to the country and the economy, and that it differs greatly from the 1986 "amnesty" bill, as Rector termed it on Monday. That bill, signed into law by President Ronald Reagan, allowed undocumented immigrants a quick path to citizenship and was meant to increase border security.

Far from an amnesty, the "gang of eight" legislation would require even tighter border restrictions before legalization processes could move forward and would make it far more difficult for current unauthorized immigrants to become citizens.

The difficulty and scope of a new path to citizenship under the bill is one of the many issues cited by critics of the Heritage report. Not all unauthorized immigrants will even be eligible for legal status under the "gang of eight" bill -- those who entered the country after Dec. 31, 2011, would be excluded, along with people who committed certain crimes -- and others might choose not to pursue it, either based on its high cost or other factors. Still, the Heritage report's authors worked off an estimate of 11.5 million undocumented immigrants currently in the United States; Rector said he suspects the number is actually much higher, though some estimates place the number lower, at 11.1 million. They also included the costs of benefits for U.S. citizen children of undocumented immigrants, arguing those children would not be in the U.S. otherwise.

"Gang of eight" members have called repeatedly for "dynamic," rather than "static," scoring of their bill, a method that would analyze its economic impact based on the assumption that the legislation would affect the economy more broadly. The Congressional Budget Office announced last week that it will include a broader look at the bill's economic merits in its analysis.

Rep. Paul Ryan (R-Wis.) said in a statement to Roll Call Monday that he thinks its economic impact should be analyzed differently from the methodology Heritage used. "The Congressional Budget Office has found that fixing our broken immigration system could help our economy grow," he said. "A proper accounting of immigration reform should take into account these dynamic effects."

Other conservatives have made similar calls for a more balanced analysis of the bill. The CATO Institute's immigration policy analyst, Alex Nowrasteh, preemptively called the Heritage report's methodology "fatally flawed," and repeated that criticism to Roll Call on Monday, though he said he was still working through it. Grover Norquist, of the group Americans for Tax Reform, preemptively criticized the report last month in a memo to congressional staffers. Washington Post columnist Jennifer Rubin -- who has gone against some of her fellow conservatives by supporting immigration reform -- wrote that the Heritage report claims a "preposterously" high cost for the "gang of eight" bill, in a post urging readers to "beware right-wingers peddling snake oil on immigration reform."

The Heritage report updates a similar analysis done in 2007 on immigration reform efforts at that time, which put the potential price tag at \$2.6 trillion. But it stands in contrast to other past studies from the organization, such as one in 2006 that discussed some economic benefits to immigration and criticized the status quo.

On Monday, Rector dismissed critics who said the new Heritage report should be wider in scope.

"I think that's largely an effort to distract attention from the issue," he said. "What's really being said here is maybe amnesty costs \$6 trillion, but there are these other effects that might possibly offset that. There is no study, in fact, that shows that kind of effect."