

On Immigration, Pay Attention To Milton Friedman

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Free-market economist Milton Friedman once warned that open borders are incompatible with a welfare state. The \$6.3 trillion cost of amnesty forecast by the Heritage Foundation illustrates it in spades.

As the Gang of Eight immigration reform bill wends through Congress, it's useful to have a report from Heritage showing just how much legalizing some 11 million unlawful immigrants will cost the taxpayers amid all the champagne-glass clinking from the anything-but-in-the-shadows illegals.

Based on direct benefits such as Social Security, Medicare, unemployment insurance, and workers' compensation; means-tested benefits, which include more than 80 different welfare programs; public education, and city services such as police, fire and highways, the fiscal tab for legalizing illegal immigrants will come to \$6.3 trillion over 50 years, the study showed.

That's because illegal immigrants, who on average have lower skills and education than U.S. citizens, already take \$14,000 more in benefits than they contribute to the economy and amnesty will make them eligible for far vaster pools of taxpayers' money. These new benefits include Social Security, Medicare and welfare, and will raise the differential per household to \$28,000, according to the study.

"Over a lifetime, the former unlawful immigrants together would receive \$9.4 trillion in government benefits and services and pay \$3.1 trillion in taxes. They would generate a lifetime fiscal deficit (total benefits minus total taxes) of \$6.3 trillion. (All figures are in constant 2010 dollars.) This should be considered a minimum estimate. It probably understates real future costs because it undercounts the number of unlawful immigrants and dependents who will actually receive amnesty and underestimates significantly the future growth in welfare and medical benefits," the study reports.

Critics, such as our friends at the Cato Institute, point out that the study is flawed because its static accounting fails to account for economic growth and rising wages. That might be a fair criticism.

But there is also the question of how much an economy can grow if the government is saddled with \$6.3 trillion in new costs, or in any case, the certainty of higher costs based on greater eligibility for benefits. And why can't this same projected growth from new immigrants be achieved through legal immigration, with the government putting a premium on admitting the world's most productive?

Yet that's not what's happening. The records show that among legal immigrants, U.S. officials have for years systematically ignored the law that prohibits admission of immigrants likely to become public charges. The figure among illegals is almost certainly comparable, and a demonstration of the sad fact that, there are large numbers of immigrants who cross the border to take the welfare benefits superior to those available in their home countries.

In other words, "If someone offers you a gift, you take it," as Friedman has said.

According to the Center for Immigration Studies, 57% of all immigrant households with children use at least one welfare program, compared to 39% for native households with children. Illegal immigrants are high users of food assistance and Medicaid, but legal immigrants are consistently higher in the use of all welfare programs including those that illegals do not qualify for.

What it shows is "you cannot simultaneously have free immigration and a welfare state," as Friedman said in 1999.

The University of Chicago Nobel Laureate understood precisely why, pointing out that in its own paradoxical way, illegal immigration is actually a good thing but — "only good so long as it's illegal.

"Why? Because so long as it's illegal the people who come in do not qualify for welfare, they don't qualify for Social Security, they don't qualify for the other myriad of benefits that we pour out from our left pocket to our right pocket," Friedman said.

Amnesty will ensure that illegals get those benefits — without ever being screened as desirable, contributory, productive, or any of the things that should make legal immigrants beneficial to the country and the American people who welcome them.