

Roll Call

Welfare Shouldn't Ruin Immigration Reform

By: Alex Nowrasteh- June 14, 2013

There is a common argument that goes like this: Many immigrants are poor, and some poor people abuse welfare. Therefore, we should not let in more legal immigrants, some of whom may abuse and eventually bankrupt the welfare system.

Count on that to continue to be the core argument of immigration skeptics as the debate on that critical issue continues. But a large and growing body of data refutes that notion and in fact suggests that the opposite is true: Without immigration, America's welfare state would go bankrupt sooner.

A recent study in the journal Health Affairs shows that in 2009, immigrants paid \$13.8 billion more into Medicare Part A than they received in benefits. Noncitizens were responsible for \$10.1 billion of that \$13.8 billion surplus. By contrast, native-born Americans drew \$30.9 billion more from the system than they contributed.

From 2002 to 2009, immigrants contributed a total surplus of \$115.2 billion to the Medicare trust fund.

Immigrants, especially non-citizens, contribute a surplus for two main reasons.

The first is that they are younger. Only 6.4 percent of non-citizens are 65 years old or older compared with 13.4 percent of natives. Eighty-five percent of non-citizens are also of working age, compared with just 60 percent of the U.S.-born. Immigrants, especially non-citizens, are simply more likely to be in the workforce paying taxes and less likely to currently draw benefits.

The second reason is that immigrants enrolled in Medicare receive, on annual average, about \$1,465 less in benefits individually than U.S.-born Americans.

Immigration critics say that once immigrants age, they will then draw down far more benefits from Medicare than they paid in. That is probably true, but it is also true of most Americans. The main problem with Medicare is its financial unsustainability — which, as described above, immigration actually helps to alleviate in the short term.

By current projections, the Medicare trust fund will be exhausted in 2024, long before most non-citizens and immigrants are eligible for the program. Increased immigration of young workers could delay the bankruptcy, giving the government more time to reform the system before it busts. Far from ruining Medicare, immigrants could give some financial breathing room to a bankrupt system. Medicare and Social Security are designed for the elderly. Professors

Leighton Ku and Brian Bruen of George Washington University recently discovered that poor immigrants generally use means-tested programs at a lower rate than poor U.S.-born citizens.

Poor non-citizens are about 25 percent less likely to be enrolled in Medicaid than poor native-born citizens. When they are enrolled, they also use about \$941 less in annual benefits than poor native-born Americans. On average, a poor non-citizen will cost Medicaid 42 percent less than poor natives.

The story is similar for food stamps and Supplemental Security Income. Many immigrants are not legally eligible for these programs, but when they are, they still use them at a lower rate than poor Americans.

Americans are rightly concerned that their tax dollars are being wasted. Polls routinely show that immigrant use of public services and welfare are huge concerns of Americans despite the evidence that immigrants do not abuse the system.

Fear of immigrants burdening the welfare state is so great that some members of Congress are calling for a health insurance mandate for immigrants so they won't use government health benefits. Access to Obamacare subsidies for legalized immigrants is denied in the Senate's proposed immigration reform, but concerns that they could get those benefits has driven many voters and politicians into opposing a mostly beneficial reform.

The welfare state makes voters look at immigrants as costs rather than seeing them as human capital that helps enrich America in numerous ways. A far better solution, short of eliminating the welfare state altogether, is to find ways of denying welfare to immigrants but allowing more to come legally.

Far from ruining the welfare state by driving it to bankruptcy, immigrants are currently helping to financially sustain it long enough to pass real entitlement reform. The welfare state turns voters against immigration in a way that few other institutions can. Overcoming the welfare hurdle is essential to producing positive immigration reform.

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