



Building a wall around the welfare state, instead of the country

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Supporters of immigration reform continue to hold their breath as they wait to see what, if any, action the U.S. House will take. If the political pundits are right, the prospects are dim. One reason for that is concern that an influx of immigrants will overburden the welfare state. Rep. Steve King (R-Iowa) recently said that increased immigration “and a cradle-to-grave, or welfare, system cannot coexist,” and he’s not alone. But instead of putting their energy into halting immigration reform, King and others should focus on reforming the welfare system. While the Senate-passed bill does build in some barriers to immigrant welfare access, such as barring Obamacare subsidies, it is not enough to quiet concerns. That’s where a new policy analysis from the Cato Institute comes in.

This analysis, “Building a Wall around the Welfare State, Instead of the Country,” shows how large portions of the welfare state, from food stamps to Medicaid, could be barred to non-citizens. Not only would this save approximately \$29 billion taxpayer dollars annually, it would separate those honestly worried about immigrant welfare use from those who use it as an excuse to oppose reform.

Looking at the numbers, immigrant welfare use is a small problem relative to the size of the welfare state. In fact, recent research found that poor immigrants are less likely to use welfare programs than poor citizens, and when they do, they do so at a lower rate. Furthermore, when it comes to the fiscal costs of reform, the welfare portion is but a drop in the bucket compared to other costs, such as militarizing our border.

Regardless, immigrant use of welfare is a very real concern to many Americans. A recent poll found that 77 percent of Americans don’t think immigrants should be eligible for welfare. Another found 44 percent concerned with immigrants overburdening government services. Cato’s blueprint is designed to address these concerns by showing how key welfare programs can be walled off to non-citizen immigrants.

Some of the potential reforms are relatively minor, such as enforcing documentation requirements for Medicaid applicants. Others go much further, such as preventing non-citizens from receiving cash benefits through the Temporary Aid to Needy Families program and food stamps, as well as reforming the Earned Income Tax Credit.

Current law already bars immigrants from receiving many welfare benefits, but the notion of further limitations will have many immigration reform proponents up in arms. Probably citing Cato’s own research, they will claim that immigrants are not a large drain on welfare. They’re not wrong. Non-citizens make up 7.1 percent of the population, but only consume 6.7 percent of the major welfare programs.

But there is a bigger picture to be seen: immigrants don’t come to America for welfare, they come to work. One need only look at the high rates of immigrant entrepreneurship – which is

twice as high as for U.S.-born Americans – and the generally higher labor force participation rates. These are not indications of a welfare dependent population, which is why walling off benefits shouldn't been seen as a negative.

Government welfare is an unnecessary luxury at best, and an expensive brake on immigrant economic advancement at worst.

Immigration reform proponents should bargain away welfare for this industrious group of people to gain a more favorable legalization program. It would be a shame if millions of people are not allowed to become Americans because of an irrational fear that depriving them of food stamps will ruin their lives. The immigration laws on the books are accomplishing that already.

What the political pundits should be saying is that welfare and relatively free-immigration will not be able to coexist for political reasons. Preventing non-citizens from accessing welfare will save taxpayers money, calm the concerns of many Americans and ensure that immigrants continue to flock to our shores for the purpose of achieving the American Dream, not a welfare check.

Cato's late Chairman Emeritus William Niskanen once said, "build a wall around the welfare state, not around the country." If it can be done, everybody can win.