



Immigration Reform Could Cost \$6.3 Trillion, Heritage Foundation Says

Heritage releases economic impact of the "path to citizenship" proposal

By: Lauren Fox – May 6, 2013

Conservatives revived another argument against sweeping immigration reform Monday—the price tag.

The Heritage Foundation released a report targeting the most controversial element of the Senate immigration reform plan. The group estimates that the cost of giving the 11 million immigrants who came to the U.S. illegally a path to citizenship would be \$6.3 trillion over 50 years.

"Taxpayers are right to be cautious about another large, incomprehensible bill like Obamacare," said Heritage Foundation President and former Sen. Jim DeMint, R-S.C. "Amnesty for those who are here unlawfully is not necessary."

The Heritage Foundation estimated that the cost of giving immigrants direct benefits like Social Security, Medicare, and unemployment insurance as well as other welfare benefits like food stamps, would be a major drain on the country's already-empty piggy bank.

"It will make our economic problems worse. We should not repeat past mistakes," DeMint said, resurrecting the ghosts of 1986 when the government granted 'amnesty' to 3 million immigrants. "The only approach that can work at this point is to have a piece by piece approach."

Heritage says that each immigrant household here illegally in 2010 collected more than \$24,000 in government benefits on average from enrolling children in public education and using roads, parks and law enforcement services. The group estimated that those same families paid about \$10,000 in taxes, leaving taxpayers to pick up the remaining \$14,000 a year.

While the Senate's "gang of eight" proposal wouldn't allow immigrants who came to the country illegally to have access to welfare or the Affordable Care Act for 13 years even with legal status, the Heritage Foundation estimates that after the 13 years were up, many of those same immigrants would start applying for the more than 80 welfare and other government benefits available to them. Heritage says that will drive up the country's deficit. It estimates the average drain on the economy would be about \$28,000 per household.

But the Heritage Foundation attracted the ire of other Washington think tanks, including Grover Norquist's Americans for Tax Reform and the Libertarian Cato Institute, which both said that the report was deeply flawed because it used static scoring, assuming only the costs of legislation impacts one sector of the economy, instead of dynamic scoring, which predicts how legislation would affect all sectors.

"Since increased immigration will increase the size of the economy, it will also increase tax revenue and some government spending. It's important to factor those increases into any scoring model," Cato wrote on its blog over the weekend.

Some analysts have said that immigration reform will add to economic growth.

"The Congressional Budget Office has found that fixing our broken immigration system could help our economy grow," said Paul Ryan, R-Wis., the chairman of the House Budget Committee. "A proper accounting of immigration reform should take into account these dynamic effects."

In an email to leaders on Capitol Hill last month, Norquist preemptively warned legislators that the Heritage economic impact study was deeply flawed and did not represent the feelings of other GOP leaders.

"[The] work does not speak for the conservative movement," Norquist said.

DeMint pushed back against the criticisms of his study.

"I don't know what the motivation is here," he said. "But I read this report over the weekend. No sensible thinking person could read this study and conclude that over the next 50 years, this could possibly have a positive economic impact."

The Heritage study will likely strike a chord with many fiscally conservative Republicans who have already publicly voiced concerns about enacting sweeping immigration reform.

While the "gang of eight" has said it will make a push to get at least 70 Senators on board to pass immigration reform in the Senate to send a message to the House that the bill is bipartisan, Heritage's economic analysis could cause conservatives to vote against the Senate bill in the name of fiscal responsibility. The study could give lawmakers with small Latino populations in their district cover for voting 'no.'

"It is not helpful, but I don't think it is going to be a total game changer. I find it odd that the Heritage Foundation is looking at this issue through a totally different lens than anyone else is," says GOP immigration advocate Brad Bailey. "I think it is pretty unfortunate. This is a free market, free enterprise issue. The bill is not perfect, but just using the amnesty label over and over again has proven to be a political loser."