



## Cato Institute Misses the Point on Immigrant Welfare Use — Again

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The Center for Immigration Studies released a new report yesterday showing that 51 percent of immigrant-headed households used at least one welfare program in 2012, compared to 30 percent of native households.

The welfare use estimates are higher than in previous reports because we used the Census Bureau's Survey of Income and Program Participation (SIPP) rather than the Current Population Survey (CPS). Although it's easier to use than the SIPP, the CPS focuses primarily on the labor market and undercounts household welfare use. Specifically designed to capture welfare use, the SIPP shows higher use — in some cases, dramatically higher use — than the CPS.

Given the complexity of the SIPP and the sensitivity of the issue, we took the extra step of having all of our calculations verified by Decision Demographics, an independent statistical consulting firm that takes no position on immigration.

So what do open-borders enthusiasts do when confronted with such indisputable data? They change the subject. That's what the Cato Institute's Alex Nowrasteh did in his response to our study. While we compare the welfare use of immigrants and natives, he spends several paragraphs on what he calls "the interesting question", which is how poor immigrants compare to poor natives in terms of welfare use. He gives no reason why this is a more interesting question. It actually obscures the comparison considerably, since poverty is a major driver of welfare use and immigrants are more likely to live in poverty.

As we make clear in our report, the main reason that immigrants use more welfare than natives is simply that immigrants tend to be less educated and subsequently poorer than natives. Welfare use is not a moral failing on the part of low-skilled immigrants any more than it is for low-skilled natives. Our point is that as long as we continue to take in so many low-skilled immigrants (legal or illegal), immigrant welfare use will remain high. To "correct for" education and income differences is to deliberately obscure that point.

Put another way, Nowrasteh would apparently be comfortable with any level of immigrant welfare use — no matter how high — just as long as it's lower than the welfare use for similarly educated natives. Does that sound like a good immigration policy? (For what it's worth, poor

immigrants are less likely to use cash assistance than poor natives, but more likely to use other types of welfare programs. See Table A16 of our report.)

Nowrasteh then finds another subject unrelated to our report to talk about. He says immigrants pay into Social Security and Medicare, making up for the money they draw from the welfare system. But unlike welfare that most Americans will not use, Social Security and Medicare enrollment is nearly universal once people reach retirement age — this is true for both immigrants and natives. Thus, these programs are very different from welfare programs.

Further, low-income Americans (whether they are immigrants or natives) tend to receive more in benefits from Social Security and Medicare than they contribute in payroll taxes. It seems odd that the Cato Institute, which has condemned Social Security as a Ponzi scheme, would celebrate how immigration might prop up the system for a while — before an even larger bill comes due.

In any case, all working immigrants will contribute payroll taxes. Why not carefully select the ones who also will not use welfare? Immigrant selection seems anathema to Nowrasteh's worldview. He wants to let everyone in.

Another part of Nowrasteh's worldview is abolishing welfare, or at least "building a wall around the welfare state" to prevent immigrants from accessing social services. This, he says, is much easier than restricting immigration:

In fact, the last time American immigration laws were well enforced without a large scale guest worker or legal entry program was during the Great Depression and World War II — when nobody wanted to come.

And the last time the welfare state was substantially rolled back was ... never. And the last time welfare was successfully walled off from immigrants was ... never. As we discuss in our report, the 1996 welfare reform laws did not prevent immigrant households from accessing welfare. There were so many exceptions, time limits, and loopholes that it has been essentially ineffective. Even if we could structure the law just right — something that libertarians are generally not optimistic about accomplishing — the U.S.-born children of immigrants will always remain fully eligible for benefits.

Nowrasteh also tries to change the subject by implying that looking at households (rather than individuals) is somehow unfair to immigrants, despite the fact that we address this thoroughly in the report. It is worth pointing out that the late Julian Simon of the Cato Institute, himself a strong advocate of immigration, explicitly argued that households or families are the only effective way to look at welfare and the fiscal impact of immigration because that is how program eligibility and most taxes are calculated.

With so much media coverage of our report, including in USA Today, other responses are sure to come in. Readers should carefully note when would-be critics try to change the subject. It's an implicit admission that our report is correct.

