

Hayworth's misleading attack on McCain immigration bill

Hayworth falsely claims McCain's bill would have given Social Security and Medicare benefits to illegal immigrants

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J.D. Hayworth — who is seeking to unseat Sen. John McCain of Arizona in the Aug. 24 Republican primary — makes illegal immigration the subject of his first TV buy. The ad attacks the Comprehensive Immigration Reform Act of 2007 for potentially costing U.S. taxpayers \$2.6 trillion and "rewarding illegal aliens with Social Security and Medicare benefits." The first claim is misleading, and the second is wrong.

- It's false to say "illegal aliens" would get benefits. They wouldn't be eligible for Social Security and Medicare until they became legal and worked and paid taxes, just like everybody else.
- The \$2.6 trillion cost estimate — which is spread out over decades — comes from a "rough estimate" by a conservative group, and it's based on questionable and even false assumptions. The nonpartisan Congressional Budget Office came up with a far lower cost estimate based on different assumptions.

Analysis

Hayworth's ad, which the campaign first aired July 23, opens with a clip of McCain talking about writing comprehensive immigration legislation with Edward Kennedy, the late liberal senator from Massachusetts. There is also a clip of President Barack Obama speaking of his support for the work of McCain and Kennedy on immigration.

It is worth noting that McCain did not cosponsor the [Comprehensive Immigration Reform Act of 2007](#), so it can't truly be called "McCain's amnesty bill." And labeling this bill as "amnesty" isn't strictly accurate either, as we have noted [before](#). But these are quibbles.

It's true, of course, that McCain supported the 2007 bill — which was largely based on immigration legislation crafted in 2005 by McCain and Kennedy and was similar to a 2006 bill that McCain cosponsored. Hayworth's ad underscores the Kennedy connection with a photo of McCain and Kennedy standing together. But the ad leaves out the fact that the final bill — the one attacked as a \$2.6 trillion budget-buster — was the result of negotiations between Senate leadership and Republican President George W. Bush, so it was bipartisan legislation and not "McCain's" bill alone.

\$2.6 trillion? Really?

In support of the ad's claim that the measure would have cost \$2.6 trillion, the Hayworth campaign cites a [2007 estimate](#) by the Heritage Foundation, a conservative think tank that argued strongly against the legislation. But that figure — which would be spread over

many decades — is based on questionable assumptions, and other experts have criticized it as inflated. It's contradicted by estimates from a more neutral source — the nonpartisan Congressional Budget Office.

Even Heritage didn't claim great accuracy for the figure. "This is a rough estimate," the report conceded. "More research should be performed."

Here's how the foundation came up with that number: It estimated the adult illegal immigration population at 10 million and further estimated that about 8.5 million of the illegal immigrants could expect to live until 67 — which is when Social Security and Medicare would become available in most cases. The average white American aged 67 could expect to live another 18 years, the foundation said, based on [Census projections](#). The foundation then estimated the net cost of benefits for the elderly at \$17,000 per year — or \$306,000 per person who lives till age 85 — resulting in a total net cost of \$2.6 trillion in benefits. (That's the net cost over the lifetime of the average low-skilled immigrant, the foundation says, after taking into consideration the taxes and fines paid by the new residents.)

The foundation acknowledges that the \$2.6 trillion may be high because the report "assumes that all illegal immigrants residing in the U.S. would receive amnesty." That's actually a false assumption because not all illegal immigrants would be eligible. Eligibility would depend on such factors as whether the person has a criminal record and how long he or she has lived and worked in the U.S.

On the other hand, the foundation argues that the \$2.6 trillion may underestimate the price tag because Medicaid and Medicare costs are likely to exceed the rate of inflation, so the \$17,000 per year estimate will "almost certainly" be higher even after adjusting for inflation.

CBO: Bill would have 'small net effect' on budget

In its analysis of the same bill, the nonpartisan Congressional Budget Office concluded that both the population growth and the cost estimates would be far less severe.

In a [June 4, 2007, fiscal report](#), the CBO said the immigration bill "would increase the population in the United States by about 1.8 million residents by 2017. By 2027, the net change in population would be negligible." The CBO said the bill's "enforcement and verification requirements" would reduce the number of illegal immigrants in the U.S. (and reduce federal spending on Medicaid for emergency medical services).

The total cost of the bill? The CBO estimated that total federal spending would be \$66.1 billion over the first 10 years, but the bill would also bring in \$48.3 billion in added revenues — primarily increased Social Security and Medicare taxes paid by newly legal workers. Net cost for the first decade: \$17.8 billion.

CBO said the cost for the second decade would be somewhat higher as more immigrants became legal, and the costs of benefits increased. But payroll tax receipts would also grow. So by the end of the first 20 years, CBO estimated that the net effect would be to increase the yearly federal deficit "by several billion dollars a year" and characterized this as "a relatively small net effect on the federal budget balance over the next two decades."

Heritage argues that the impact of retirement costs of the illegal immigrant population "will not really begin until 25 to 30 years after passage of the legislation." But its analysis has been disputed.

In a policy paper titled "[The Fiscal Impact of Immigration Reform: The Real Story](#)," Daniel Griswold of the libertarian Cato Institute criticized the Heritage Foundation's methodology. Further, Griswold maintained in a [2009 book](#) that the Heritage figure is "grossly exaggerated" by "artificial" assumptions. For one thing, Griswold pointed out, the Heritage figure fails to state costs in today's dollars, and assumes that a dollar taxed or spent 40 years from now is worth the same as a dollar today.

Griswold: In fact, it is worth much less because of inflation and the prevailing rate of interest. ... A direct result is that the costs of immigration that it projects decades into the future are grossly exaggerated.

In his policy paper, Griswold conceded that low-skilled workers do tend to consume more in government services than they pay in taxes. But he also argued that the contributions of immigrant children should be counted in any fair assessment of the long-term fiscal impact.

Griswold: It would be misleading, for example, to count the costs of educating the children of an immigrant without considering the future taxes paid by the educated children once they have grown and entered the workforce. The children of immigrants typically outperform their parents in terms of educational achievement and income.

No Social Security or Medicare Benefits for 'Illegal Aliens'

Hayworth's ad also falsely describes the bill as "rewarding illegal aliens with Social Security and Medicare benefits." We've made this point [before](#) — during the 2006 midterm congressional elections — but the fact is that the legislation doesn't propose paying benefits to illegal immigrants. Under the bill, someone living in the U.S. illegally would have to meet certain criteria to become eligible for legal permanent residence. Once that happens — and not until then — could they eventually qualify for benefits, provided they have worked and paid taxes for the required amount of time.

Furthermore, the Social Security Administration has determined that comprehensive immigration legislation would actually have a net positive effect on Social Security, both in the short- and long-term.

In a [July 24, 2006, letter](#) to Republican Sen. Charles Grassley of Iowa, Social Security Administration Chief Actuary Stephen Goss wrote that the Comprehensive Immigration Reform Act of 2006 would improve the trust fund's net cash flow by about \$27 billion in 10 years – reducing the public debt during that time by \$30 billion when factoring in the effects of interest. In the long-term, the legislation would delay by two years (from 2040 to 2042) the date when Social Security would become insolvent, Goss wrote.

McCain's deep roots in immigration legislation

Lastly, a little background: McCain and Kennedy introduced the [Secure America and Orderly Immigration Act](#) (S. 1033) in 2005. That bill, although never voted on, would become the basis of the [Comprehensive Immigration Reform Act of 2006](#) (S. 2611), which was cosponsored by McCain and Kennedy, among others. The bill passed the Senate May 25, 2006, with [62 votes](#), but failed to win final approval and died at the end of the congressional session. McCain voted for it.

The bill was reintroduced as the [Comprehensive Immigration Reform Act of 2007](#) (S. 1348). McCain, who was running for the Republican presidential nomination at the time, was not a cosponsor of the 2007 bill and was not as active in the 2007 negotiations that led to the final bipartisan bill. However, he [joined Kennedy and Bush administration officials](#) at a May 17, 2007, [press conference](#) to announce that a bipartisan deal on immigration had been struck. He also gave a [floor speech](#) days later saying he was "proud to support this historic overhaul of our immigration system."

McCain's position on immigration shifted during the presidential campaign. He put an emphasis on securing the border and downplayed the provisions that would have allowed illegal immigrants to gain legal permanent residence. He even stated that he would vote against his 2006 immigration bill during a [presidential debate](#) at the Ronald Reagan Presidential Foundation and Library.

So, McCain's deep involvement in immigration policy and his shifting position in recent years is all fair game for Hayworth. However, the Republican challenger exaggerates the costs and falsely states that illegal immigrants would be granted Social Security and Medicare benefits under the legislation.

- by Eugene Kiely