Do Undocumented Immigrants Overuse Government Benefits?

By Tara Watson
Williams College

The Issue:

Concerns that undocumented immigrants impose costs on the public welfare system are a long-standing feature of the immigration debate. During the presidential campaign, candidate Trump's first general election television ad claimed that illegal immigrants were receiving social security benefits—a fact disputed (https://www.washingtonpost.com/news/fact-checker/wp/2016/08/20/trumps-false-claim-that-undocumented-immigrants-collect-social-security-benefits/) by the Washington Post. On January 25, in his first week in office, President Trump issued an Executive Order highlighting seven priorities for internal enforcement of immigration law. One of these was aimed towards non-citizens who have “abused any program related to receipt of public benefit (https://www.whitehouse.gov/the-press-office/2017/01/25/presidential-executive-order-enhancing-public-safety-interior-united).”

Undocumented immigrants are not eligible for most benefits. Many have dependent children or a spouse who are citizens and who may qualify for benefits.

The Facts:

- Unauthorized immigrants are ineligible for most major federally-funded safety net programs. Key safety net programs, including the cash welfare program Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program), and the means-tested disability program Supplemental Security Income (SSI) are available only to “qualified” immigrants and citizens (see here
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Undocumented immigrants, along with some legal immigrants, are typically in the “unqualified” category unless they are victims of abuse or trafficking. Undocumented immigrants are also excluded from most federal health programs. They are prohibited from non-emergency Medicaid, the Children’s Health Insurance Program (CHIP), and the Medicare program. Undocumented immigrants are not eligible to receive insurance subsidies under the Affordable Care Act or to participate in the ACA insurance exchanges. They may be able to privately purchase insurance through their employer or on the non-group market. An estimated 40 percent of non-elderly undocumented immigrants have no health insurance. According to a study by the CATO Institute, low-income non-citizens (documented and undocumented combined) have lower participation rates in safety net programs than low-income citizens, in part due to eligibility restrictions for the undocumented.

- **Undocumented immigrants are not eligible to receive Social Security benefits even though many contribute to the system.** Many undocumented immigrants work in the formal sector and contribute to the social security trust fund. Estimates suggest that up to $12 billion per year are contributed by undocumented immigrants and their employers. Most undocumented immigrants will never draw from the system. One hypothetical exception is that if the Deferred Action for Childhood Arrivals (DACA) program lasts long enough and participants pay into the system, they would eventually be eligible for benefits, but the first payouts in this hypothetical eventuality are nearly three decades away. Other immigrants who transition to legal status can also collect benefits based on their contribution history, even if some of their contributions were made while unauthorized.

- **There are some federal programs that serve those in need, regardless of immigration status.** Programs that serve undocumented immigrants include school meal programs, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Head Start, and various in-kind emergency services. Undocumented immigrants are also eligible for Emergency Medicaid. This program typically covers acute medical situations including childbirth but not longer-term treatment for chronic conditions, even if they are life-threatening. The services provided vary by state. Emergency Medicaid is estimated to cost
about $2 billion per year (http://khn.org/news/medicaid-illegal-immigrant-emergency-care/), well less than 1 percent of the overall Medicaid budget, and most of that cost is thought to be attributable to unauthorized immigrants.

- **State and local governments disproportionately bear the burden of supporting undocumented immigrants.** Undocumented immigrants are legally required to have access to K-12 public school, and almost all K-12 education funding comes from state and local governments. The share of children who are undocumented immigrants and attend Kindergarten through 12th grade at public and private schools is relatively small, making up about 1.3 percent of total enrollment in 2014 (about 725,000 students) according to a study (http://www.pewresearch.org/fact-tank/2016/11/17/children-of- unauthorized-immigrants-represent-rising-share-of-k-12-students/) by the Pew Research Center. However, another 5.9 percent of students who are U.S. citizens have at least one undocumented parent. Some states also provide other benefits to undocumented immigrants, including in-state tuition to undocumented students and state-funded safety net programs. Authors of a National Academy of Sciences report (http://www.vox.com/the-big-idea/2017/3/17/14951590/nas-report-immigration-economy-taxpayers-trump) note that, because immigrants tend to pay income and payroll taxes to the federal government, but tend to use services provided by states and localities, their overall fiscal impact is unevenly distributed.

- **Many unauthorized immigrants have dependent children or a spouse who are citizens and who may qualify for public benefits.** About three quarters of children of undocumented immigrants are citizens. A study using 2014 data estimated that about 40 percent (http://www.pewresearch.org/fact-tank/2016/11/17/children-of-unauthorized-immigrants-represent-rising-share-of-k-12-students/) of all adult undocumented immigrants live with U.S. citizen minor or adult children. Therefore, although undocumented immigrants are not eligible for most benefits, their households often receive support. Studies which look at household-level benefit receipts have higher estimated rates for immigrant households than studies that focus on individual level support (for instance, compare this study (http://cis.org/Welfare-Use-Immigrant-Native-Households) to this one (https://www.cato.org/publications/economic-development-bulletin/poor-immigrants-use-public-benefits-lower-rate-poor)).

- **Immigration enforcement activity reduces the degree to which undocumented immigrants access benefits for their families.** The local enforcement environment matters to benefit participation. For example, in my research (https://www.aeaweb.org/articles?id=10.1257/pol.6.3.313) looking at
immigration enforcement increases in the 1990s, I found that immigrants in areas with elevated enforcement are discouraged from accessing Medicaid benefits on behalf of their citizen children.

**What this Means:**

Despite scapegoating in public discourse, the drain that undocumented immigrants place on government benefit programs is small. The number of low-income undocumented immigrants is small relative to the size of the overall low-income population, and federal law restricts their participation in most programs. Because so little federal assistance is available, some states and localities bear a disproportionate burden. As enforcement efforts become more aggressive, it is expected that undocumented immigrants will be less likely to access public programs on behalf of their children who, as citizens, are legally eligible for these benefits.

**TOPICS:** IMMIGRATION POLICY / SOCIAL SAFETY NET / UNAUTHORIZED IMMIGRATION

Written by The EconoFact Network. To contact with any questions or comments, please email contact@econofact.org.