

# **The Consequences of Illegal Immigration for Housing Affordability, Government Budgets, and American Workers**

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**For**

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***Summary:** My testimony will focus on the impact of illegal immigration on housing affordability, public coffers, and American workers. Adding millions of people to the country through immigration drives up the cost of housing and reduces affordability relative to wages in areas of heavy settlement. Fiscally, illegal immigrants are a net drain — they create more in costs than they pay in taxes. This is primarily due to their low average education levels, which results in low average earnings and tax payments. Their lower incomes and education cause a large share to qualify for welfare programs, typically through their U.S.-born children. Illegal immigration also increases the supply of labor impacting the wages and employment of some American workers, often the poorest and least educated. Further, the availability of illegal immigrant workers allows American policymakers to ignore the decades-long increase in the share of working-age less-educated U.S.-born men not in the labor force — neither working nor looking for work. They are not counted as unemployed because they are not actively looking for work. This deterioration is linked to serious social pathologies such as crime, welfare dependency, suicide, and drug overdoses. Finally, illegal immigrants do increase the aggregate size of the U.S. economy, but overall GDP impact is not a measure of their tax contributions or economic benefits to the U.S.-born. Almost all the GDP increase goes to the illegal immigrants themselves in the form of wages.*

## **Overall Numbers**

- The current surge of illegal immigration is unprecedented. House Judiciary reported last month that 5.6 million illegal aliens have been released into the country since January 2021. There have also been 1.7 million “got-aways” — individuals observed entering illegally but not stopped in FY2021 to FY2023. Visa overstays also hit a record in FY 2022.

- The Center for Immigration Studies preliminarily estimates that the illegal immigrant population grew to 14 million by 2024, up 3.8 million since January 2021, when the president took office. However, the Census Bureau data on which this is based may not fully reflect the recent influx increasing the undercount of illegal immigrants.

## **Housing**

- Census Bureau data shows that since January of 2021 the number of immigrant-headed households is up 2.4 million, with perhaps 1.4 million of this increase due to illegal immigration.
- Prior research shows that by increasing demand for housing, immigration drives-up costs in areas where immigrants settle. My own analysis indicates that a 5-percentage point increase in the recent immigrant share of a metro area's population is associated with a 12 percent increase in the average U.S.-born household's rent, relative to their income. However, more analysis is needed to fully explore this relationship.

## **Fiscal Impact**

- The negative fiscal impact of illegal immigrants — taxes paid minus benefits received — is primarily due their modest average education level. Some 69 percent of adult illegal immigrants are estimated to have no education beyond high school, which is double the U.S.-born share. This results in relatively low average incomes and tax payments, along with significant use of welfare.
- Using the National Academies' estimate of immigrants' net fiscal impact by age and education level, we estimate that the lifetime fiscal drain (taxes paid minus benefits received) for each illegal immigrant is about \$68,000, although this estimate comes with some caveats.
- We estimate that 59 percent of households headed by illegal immigrants use one or more welfare programs, creating roughly \$42 billion in costs. We also estimate that the children of illegal immigrants, who are mostly U.S.-born, cost public schools \$68.1 billion.
- Illegal immigrants can receive welfare on behalf of U.S.-born children. Millions also have work authorization (e.g. DACA and asylum applicants), allowing receipt of the EITC. In addition, illegal immigrant children can directly use some programs like WIC.
- High welfare use is not caused by an unwillingness to work. In fact, illegal immigrant-headed households are more likely to have a worker present than U.S.-born households.
- Illegal immigrants do pay some taxes. We estimate they paid nearly \$26 billion in income and payroll taxes in 2019.

- Illegal immigrants do add perhaps \$321 billion to the nation's GDP, but this is not a measure of their tax contributions or the benefits they create for the U.S.-born. Almost all the increase in economic activity goes to the illegal immigrants themselves in the form of wages.

## **Labor Market**

- The notion that illegal immigrants do only the jobs Americans don't want is false. Prior analysis shows that out of 474 civilian occupations as defined by Department of Commerce, only six are majority immigrant (legal and illegal). These six account for 1 percent of the total U.S. workforce.
- There are no occupations in the United States in which a majority of workers are illegal immigrants.
- Though often the focus of the immigration debate, farmworkers comprise less than 1 percent of the entire U.S. labor force and less than 5 percent of all illegal immigrants.
- There is good evidence that immigration reduces wages and employment for some U.S.-born workers, although distinguishing the impact of illegal immigrants is difficult.
- Illegal immigration has to be understood in the context of the extremely troubling decades-long increase in the share of less-educated U.S.-born men not in the labor force, which coincides with the rapid increase in immigration since the 1960s.
- For example, 4 percent of "prime-age" (25 to 54) U.S.-born men with only a high school education or less were not in the labor force in 1960 — neither working nor looking for work. By 2000 it was 13 percent, and in 2024 it is 18 percent.
- Job competition with immigrants, including illegal immigrants, is not the only reason for this decline. However, immigration, including tolerating large-scale illegal immigration, has allowed society to ignore the decline and the accompanying social pathologies such as drug use, crime, suicide and social and political alienation

## **Introduction**

Congress set limits on legal immigration and has allocated funds to enforce those limits for good reason. Allowing widespread illegal immigration raises profound concerns about a host of issues, from public safety and national security to the rule of law. While these impacts are all important, my testimony will focus on three key areas: housing, fiscal costs, and the labor market. Before exploring these three areas I will first discuss the scale of the ongoing border crisis and resulting dramatic growth in the size of the illegal immigrant population. I use the terms "immigrant" and

“foreign-born” interchangeably throughout this testimony.<sup>1</sup> The foreign-born as defined by the Census Bureau includes all persons who were not U.S. citizens at birth — mainly naturalized citizens, lawful permanent residents, long-term temporary visitors, and illegal immigrants.

## The Current Surge

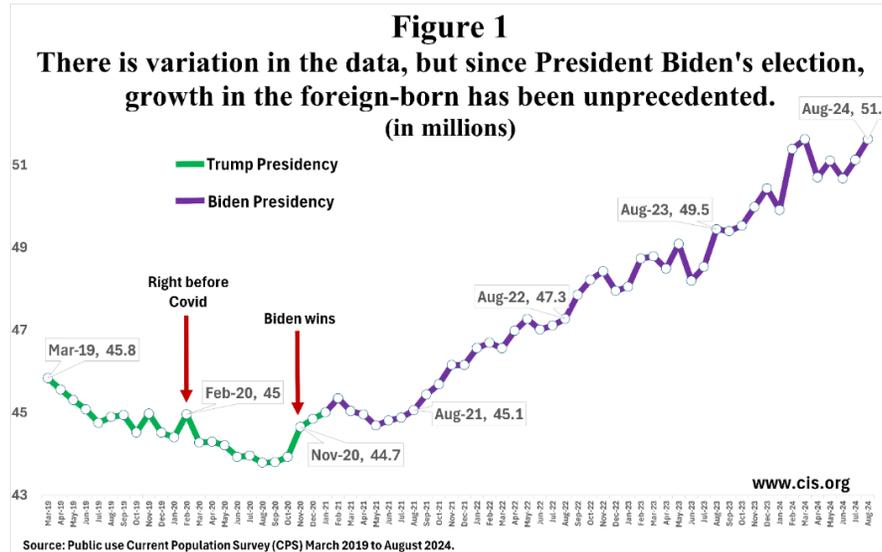
**Border Encounters and Aliens Released.** From January 2021 to August 2024 there have been 10.4 million “encounters” at all U.S. borders.<sup>2</sup> There have never been this many encounters over such a short period of time, which in the past were referred to as “apprehensions,” though there are some differences between the two terms. The number of encounters is suggestive of the scale of the ongoing crisis, but it does not capture the number of new illegal immigrants, as encounters can represent multiple attempts by the same person to enter the country. In addition to encounters, the most recent estimate of the number of illegal immigrants released in to the country over this time comes from the House Judiciary Committee, which reported last month that “In less than four years, the Biden-Harris Administration has released into the United States more than 5.6 million illegal aliens.”<sup>3</sup> The decision to release these aliens or fly them in under the CHNV program, represents new additions to the illegal immigrant population. Many of those released are parolees, have pending asylum applications, and/or were released on their own recognizance. Many of these individuals have been given work authorization. However, they are still inadmissible aliens who have not been formally admitted to the U.S. and are subject to deportation under the Immigration and Nationality Act.

**Got-Aways.** In addition to those released into the interior of the country, there are so-called “got-aways,” which according to DHS are “the number of subjects who, after making an unlawful entry, are not turned back or apprehended”. Prior to Covid-19, the number averaged about 128,000, and it was roughly 137,000 in 2020. In FY2021, DHS reported the number more than doubled to 391,000.<sup>4</sup> DHS has not published any got-away figures newer than 2021. However, media accounts, based on a Freedom of Information Act request, show 606,131 got-aways in FY2022 and 670,674 in FY2023.<sup>5</sup> While some got-aways in FY2021 were in October to December 2020, before President Biden took office, it seems certain that from January of 2021, when President Biden took office, and the end of FY2023 there were 1.6 to 1.7 million got-aways. On an annual basis, the number of got-aways in FY 2022 and 2023 is more than 4 times the average in the Trump administration’s first three years before immigration temporarily fell during Covid-19. These figures do not include all who successfully evade the Border Patrol unseen, which may be similar in scale to got-aways, thereby adding many more new illegal immigrants to these totals.

**Visa Overstays.** A significant number of new illegal immigrants, and perhaps a majority before the current border surge, were admitted legally on a temporary visa or under the visa waiver program and then did not leave the country when the time limit expired. DHS for FY 2022 showed 850,000 foreign visitors overstayed in that year. The total overstay rate for 2022 was 3.67 percent, which is more than double the rate of recent years. Of course, not all of these individuals stay long-term, and there is always some number of people who leave the country but whose departure was not properly recorded.<sup>6</sup> For unexplained reasons, the administration has not

released any newer overstay numbers. Still, as best we can tell from 2022, the current level of overstays is higher than before Covid-19, adding further to the illegal population.<sup>7</sup>

**What the Monthly Census Data Shows.** The largest Census Bureau survey that captures the foreign-born population is the American Community Survey (ACS), which is released annually



and reflects the population in July of each year. The most recent ACS available is for 2023, so it is already over a year out of date.

Moreover, for reasons that are not entirely clear, the ACS is producing estimates of the foreign born that are significantly lower than other Census Bureau surveys.<sup>8</sup> The monthly Current

Population Survey (CPS),

which the Census Bureau collects for the Bureau of Labor Statistics, is released shortly after it is collected each month, providing much more up-to-date information than the ACS. Moreover, the CPS shows a significantly larger foreign born in 2022 and 2023 than the ACS, which is more in line with what we know about the scale of new immigration since the border crisis began. The CPS also provides estimates of the immigrant population though August of 2024.

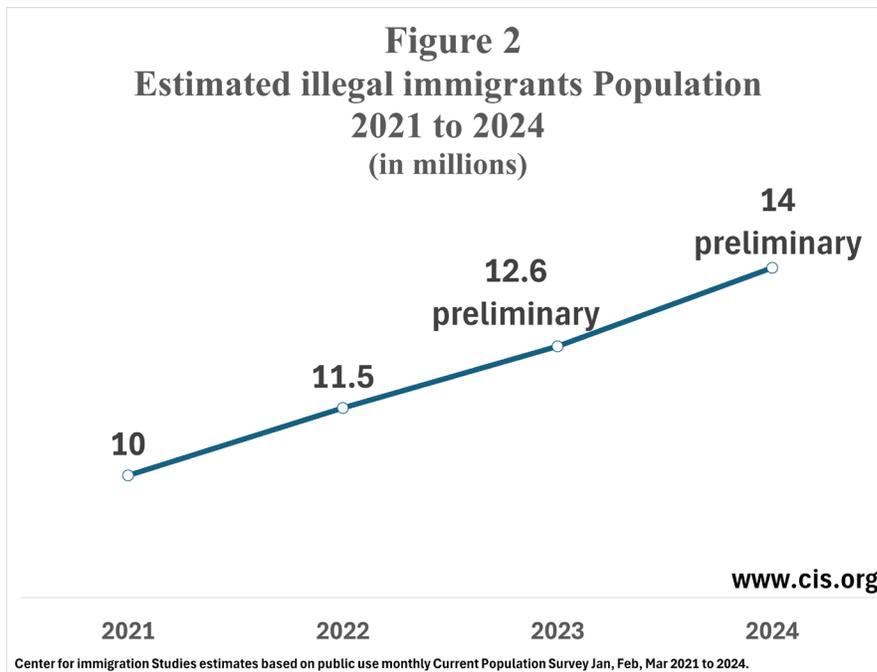


Figure 1 shows the results through August of 2024 on the size of the total population. The increase post-Covid since January of 2021 is an astonishing 6.6 million. Given the number released into the country, the got-ways, and the visa overstays discussed above, the growth in the foreign born shown in the figure still seems low. Equally important, the recent growth represents a *net* increase. The number of new arrivals is

significantly larger but has been offset by outmigration (including deportations), natural mortality among the existing foreign-born population, and, in the specific case of illegal immigrants, legalizations (e.g., successful asylum applicants or marriage to an American).

**Estimating the Illegal Population.** Our best estimate, based on the CPS, is that the illegal immigrant population in the first three months of 2021 was 10 million, which increased to 11.2 million by 2022. We preliminary estimate that by early 2023 it had increased further to 12.6 million and by 2024 it was 14 million in 2024.<sup>9</sup> It is very unlikely that the illegal population has ever grown this rapidly before.<sup>10</sup> Unfortunately, not all of the administrative data on legal immigration is available to fully estimate the illegal immigrant population in 2023 and 2024; and, there are other areas of uncertainty about our estimates.<sup>11</sup> Nonetheless, given the number released by administration, got-aways and visa overstays, the estimate are likely conservative.

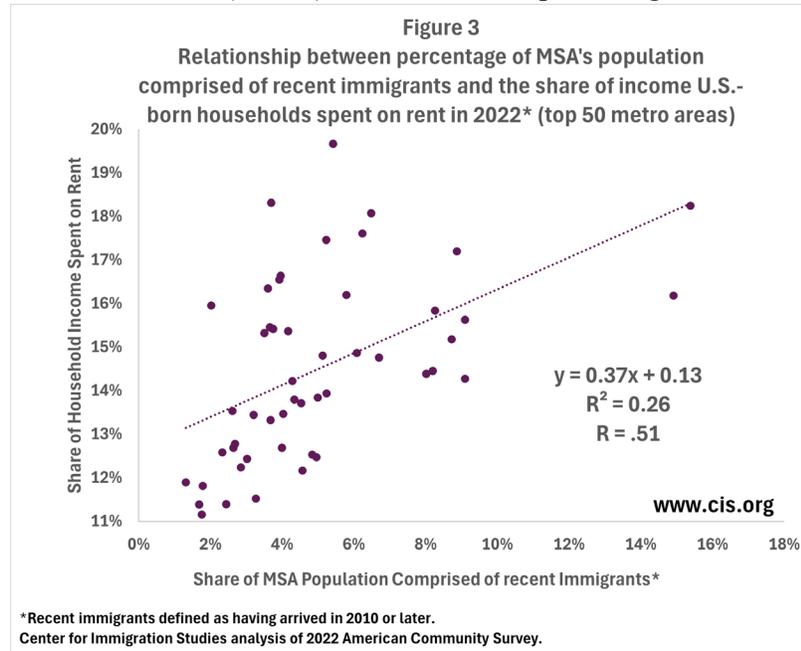
## The Impact on Housing

The dramatic increase in immigration in recent years must have implications for the cost of housing. This is especially true because the increase is concentrated in only parts of the country. As already discussed, the total foreign population increased 6.6 million from January of 2021 to August of this year. Further, over this time period the number of immigrant-headed households increased by 2.4 million.<sup>12</sup> This increase in population and households represents a significant increase in demand for housing in many locality. Our prior estimate indicated that some 60 percent of the growth in foreign born came from illegal immigration. Illegal immigration is significantly increasing demand for housing, particularly for rental property. Of households headed by an immigrant who arrived between January 2022 to August 2024, 89.5 percent responded they were renters.<sup>13</sup> Adding very large numbers of people to the country must significantly impact housing prices by driving-up demand for rental properties. In the last two

years there have been numerous stories in the media about the increasing costs of housing. The Census Bureau reports that the increase in rents in 2023 was by far the largest in the past decade.<sup>14</sup> This is certainly consistent with the possibility that immigration, including illegal immigration, has significantly increased housing prices in areas of heavy immigrant settlement.

**Prior Research on Immigration and Housing.** Opinion writers have argued that that the recent surge in immigration is making housing less affordable.<sup>15</sup> There is certainly prior research showing immigration drives up housing costs. In a 2007 study, Albert Saiz found that “An immigration inflow equal to 1% of a city’s population is associated with increases in average rents and housing values of about 1%.”<sup>16</sup> This suggests that immigration has a very large impact on housing prices in some areas of the country. A 2017 study by Mussa, Nwaogu, and Pozo also found that the influx of immigrants into a metropolitan area drives up rents and housing prices.<sup>17</sup> Studies that have looked for a relationship between immigration and housing prices internationally have also found it. In the immigrant-receiving countries of Australia and Canada, research indicates immigration increases housing prices.<sup>18</sup> Looking across 21 different countries from 2007 to 2014, another study also found evidence that the arrival of immigrants significantly increases housing costs.<sup>19</sup>

**Immigration and Rent Affordability.** Immigration likely impacts the housing market in complex ways. For example, along with driving up demand for housing it can also lower construction costs by reducing wages in the construction industry. On the other hand, it may indirectly impact affordability by reducing wages, making housing relatively more costly. Figure 3 shows a scatter plot of the recent (2010 or later arrival) immigrant share of Metropolitan Statistical Areas (MSAs) in 2022 and the percentage of income households headed by the U.S.-



born spend on rent. The analysis shows a strong positive relationship. For each one percentage point increase in the recent immigrant share of a city’s population, U.S.-born households spent \*\*\*0.37 percentage points more of their income on rent. These results imply that if the recent immigrant share of a metro area’s population increased by 5 percentage points, the average household headed by a U.S.-born person in these cities would experience a 12 percent increase in rent, relative to their

income.

Of course, this is only a simple correlation and does not include homeowners. Much more detailed analysis would be necessary to confirm this relationship. But these results are consistent with the prior literature and support the idea that immigration in general reduces housing affordability for U.S.-born renters. It is therefore reasonable to assume that the recent influx of immigrants is contributing to the increasing share of Americans struggling to afford housing in many areas of heavy immigrant settlement.

## **The Fiscal Impact of Illegal Immigration**

Unfortunately, there has not been enough time to estimate all the fiscal effects of the recent influx. Further, state and local governments have not provided much detailed information on the costs of dealing with the recent influx. But based on statements and some publicly available information, we know that many jurisdictions in the U.S. are struggling with the cost of providing services to new illegal immigrants. In addition to the immediate costs of the border surge, there is research on the fiscal impact of immigrants, and even some attempts to measure the specific impact of illegal immigrants on public coffers.

**Current Surge and Costs to Local Communities.** The city of New York reports it has spent or expects to spend \$12 billion over the next three years on housing, food, health care, and other services for recently arrived illegal immigrants.<sup>20</sup> In order to come up with the money to cover these new costs, the city plans to cut the budget by 5 percent across a range of services, including sanitation, public education, and the police department.<sup>21</sup> This is an example of the fiscal drain from illegal immigration causing fewer services or higher taxes for American citizens. The estimated cost of accommodating recently arrived illegal immigrants in Chicago in 2023 were estimated at \$361 million.<sup>22</sup> By the end of FY 2023, the District of Columbia expected to have spent \$36.4 million on various services for illegal immigrants.<sup>23</sup> Denver mayor Mike Johnston stated that the city will likely spend \$180 million in 2024 on the illegal influx – more than triple what it spends on the homeless.<sup>24</sup> A report from the state of Massachusetts in December of last year shows that the state has spent or expects to spend more than \$2 billion through FY2025 on shelters and other services for illegal immigrants.<sup>25</sup> Other localities such as El Paso, Los Angeles, and Philadelphia are all struggling to provide services to newly-arrived illegal immigrants.

**The Education Level of Illegal Immigrants.** Educational attainment is a key factor when considering illegal immigrants' effect on public coffers because it determines what type of jobs they typically do and their resulting income. Income matters enormously because it affects both tax payments and eligibility for means-tested government programs. Averaging estimates from the Migration Policy Institute (MPI) and the Center for Migration Studies (CMS) indicates that 43 percent of illegal immigrants have less than a high school diploma, 25 percent have only a high school education, 13 percent have some college, and 18 percent have at least a bachelor's.<sup>26</sup> Based on the citizenship of individuals encountered at the border and Census Bureau data, the new illegal immigrants now settling in the U.S. as a result of the current border crisis also likely have modest levels of education, though we cannot say this for certain.<sup>27</sup>

**The Challenge of Estimating Fiscal Effects.** Calculating the current fiscal impact of immigration requires numerous decisions about how to allocate various costs. Even more challenging are long-term fiscal estimates, which require making assumptions about the state of the economy and government finances well into the future. The results of any analysis will obviously vary depending on the assumptions.

**The National Academies' 2017 Fiscal Study.** One of the largest and most important studies on the fiscal impact of immigrants was a 2017 study by the National Academies of Sciences, Engineering, and Medicine, which projected the lifetime fiscal impact (taxes paid minus services used) of immigrants by education. These estimates are expressed as a net present value (NPV).<sup>28</sup> The Academies' 2017 study does not report separate estimates for illegal and legal immigrants. Rather, it simply estimates tax payments and expenditures on immigrants based mainly on the CPS Annual Social and Economic Supplement, which includes both legal and illegal immigrants. The study's fiscal projections include eight different scenarios, based on different assumptions about things like future spending and tax rates. The 2017 study does not identify which scenario is most likely.

**Net Fiscal Impact of Illegal Immigrants.** We can use the Academies' estimates to get a reasonable idea of the fiscal impact of illegal immigrants. In a 2017 analysis, I averaged the results of the Academies' eight fiscal scenarios to get one estimate for each educational category. I follow the same approach in the table below.<sup>29</sup> It shows these fiscal estimates and takes a weighted average of the education level of illegal immigrants reported by MPI and CMS, adjusts the National Academies' figures for inflation and legality, and produces a lifetime NPV of the average illegal immigrant of negative \$68,390 in 2023 dollars.<sup>30</sup>

If we use the CBO's estimate that the ongoing border surge will add 8.7 million people to the country, the vast majority of whom will be here illegally, then it implies a net fiscal drain due to the border surge of \$595 billion during the lifetime of these illegal immigrants.<sup>31</sup> A new Manhattan Institute study also concludes that educational attainment is the key to understanding immigrants' fiscal impact. The author of that study finds an even larger negative impact than I estimate, concluding that "the border crisis will cost an estimated \$1.15 trillion over the lifetime of the new unlawful immigrants."<sup>32</sup>

Our estimates do come with caveats. First, the Academies' estimates are for all immigrants; though we do include an adjustment to take this issue into account.<sup>33</sup> Further, the long-term fiscal situation for the country has deteriorated significantly since 2012, the base year the Academies

used for its estimate.<sup>34</sup> This means the fiscal impact of those with lower levels of education, as

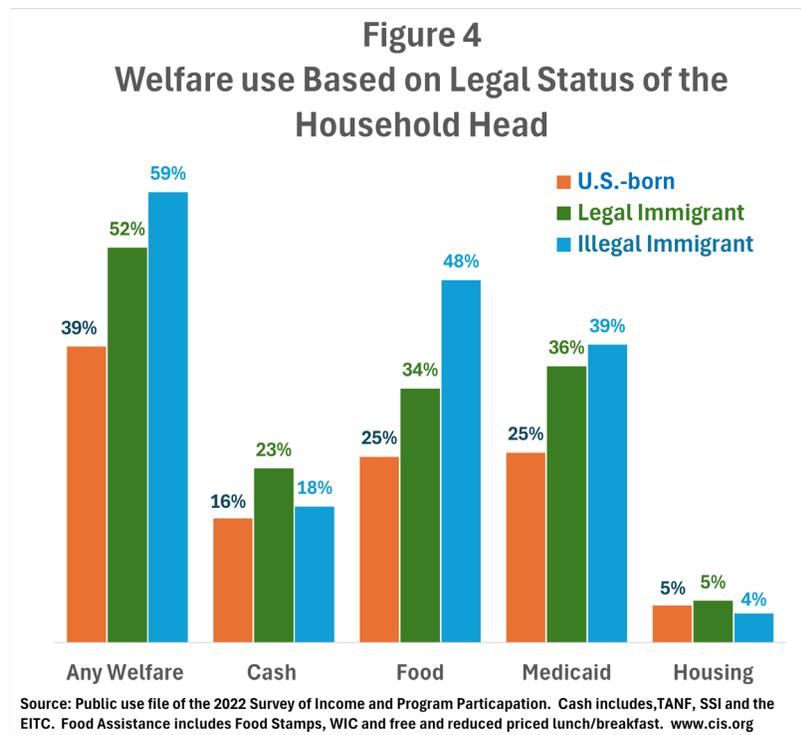
Lifetime Fiscal Impact of an Illegal Immigrant By Educational Attainment					
	Lifetime fiscal balance immigrant only <sup>a</sup>	Educational attainment of illegal immigrants <sup>b</sup>	Fiscal impact of illegal immigrants by education (unadjusted)	Adjustment factor for being illegal (reduces services used & tax payments) <sup>c</sup>	Fiscal impact of illegal immigrants
Less than HS	-\$173,375	43.3%	-\$75,041	0.676	-\$50,743
HS only	-\$69,750	25.4%	-\$17,697	0.799	-\$14,135
Some College	\$41,000	13.2%	\$5,405	0.893	\$4,825
Bachelor's	\$183,000	16.3%	\$29,862	0.220	\$6,582
>Bachelor's	\$423,875	1.8%	\$7,697	0.220	\$1,697
			<b>Unadjusted Costs of Illegal Immigrants</b>	<b>Adjusted Costs of Illegal Immigrants</b>	
			In 2012 Dollars	In 2012 Dollars	-\$51,773
			In 2023 Dollars	In 2023 Dollars	<b>-\$68,390</b>

<sup>a</sup>Based on *The Economic and Fiscal Impact of Immigration*, National Academies Press 2017, Table 8-12.  
<sup>b</sup>Averaged educational attainment from the Center for Migration Studies and the Migration Policy Institute.  
<sup>c</sup>Based on *The Cost of a Border Wall vs. the Cost of Illegal Immigration* 2017, Center for Immigration Studies.  
 Figures are for illegal immigrants arriving at all ages. Costs for their U.S.-born children are not included.

well as the average taxpayer, has become even more negative.

**Welfare Programs.** We can understand better why illegal immigrants create significant fiscal costs by looking at the welfare system. In a study published in December of 2023, my colleague Karen Zeigler and I examined welfare use in the 2022 Survey of Income and Program

Participation (SIPP). The programs included in our analysis are: Earned Income Tax Credit (EITC); Supplement Security Income (SSI); Temporary Aid to Needy Families (TANF); free and reduced-price school lunch and breakfast (school meals); Women, Infants, and Children (WIC) nutrition program; Supplemental Nutrition Assistance Program (SNAP), also called food stamps; Medicaid; subsidized and public housing.



Use of these programs is an important indicator of fiscal impact because not only are the programs themselves costly, those receiving them generally pay little to no federal or state income tax. To identify illegal immigrants in the SIPP, we use the self-reported characteristics of immigrants to assign weighted probabilities to the foreign born that create a representative population of illegal immigrants.<sup>35</sup>

**Welfare Use by Illegal Immigrants.** Figure 4 reports our estimates from our analysis of the 2022 Survey of Income and Program Participation. We

estimate that 59.4 percent of illegal immigrant households use one or more welfare programs.

Compared to the U.S.-born, illegal-headed households use every program at statistically higher rates, except for SSI, TANF, and housing. Illegal immigrants have especially high use of cash (mainly the EITC), food programs, and Medicaid.

**How Can Illegal Immigrant Welfare Use Be So High?** The high use of welfare by illegal-immigrant-headed households is due to several factors. First and foremost, more than half of all illegal immigrant households have at least one U.S.-born child on behalf of whom they can receive benefits.<sup>36</sup> Second, many states offer Medicaid directly to illegal immigrants.<sup>37</sup> Third, six states also offer SNAP benefits to illegal immigrants under limited circumstances.<sup>38</sup> Fourth, illegal immigrant children have the same eligibility as citizens for free and subsidized school lunch/breakfast and WIC under federal law.<sup>39</sup> Fifth, several million illegal immigrants have work authorization that provides a Social Security Number and EITC eligibility along with it. This includes those with DACA or TPS, as well as many applicants for asylum, and those granted suspension of deportation, and withholding of removal.<sup>40</sup> All of these factors, coupled with the large share of illegal immigrants with modest levels of education, and their resulting low income, means many qualify for welfare. Finally, there is a large welfare bureaucracy whose job it is to help those eligible for programs navigate the system.

For all of the reasons listed above, the ban on illegal immigrants directly using most welfare programs has only modest effects, and tweaking those restrictions is unlikely to make much difference. If we wish to reduce the cost associated with illegal immigrants' use of means-tested programs, we need to enforce the law and reduce the number of illegal immigrants in the country. If they are allowed to remain, the welfare costs will remain too.

**A Rough Estimate of Welfare Cost.** The SIPP is much better at measuring the share of the population accessing programs than it is at estimating the dollar value of what they receive, and for some programs it does not even report the value of benefits. However, we can estimate the costs created by illegal immigrant households for the eight programs we examined in the welfare study discussed above. Federal expenditures on these programs total \$817 billion.<sup>41</sup> States spent an additional \$226 billion on Medicaid.<sup>42</sup> Looking at the share of recipients in illegal immigrant households indicates that they account for 4 percent of the cost of the programs listed above. This means illegal immigrants received about \$42 billion from these programs in 2021. This is only a rough estimate because we do not have detailed costs for every program by household.<sup>43</sup> Equally important, the SIPP has a significant undercount of illegal immigrants, so the number of illegal immigrant households using welfare is underreported in the survey. This undercount is larger than the undercount in other Census Bureau surveys such as the CPS and ACS.

**Public Education.** Public schooling is one of the areas in which illegal immigration has its largest impact. Based on the 2014 ACS, Pew Research estimated that there are 725,000 illegal immigrants enrolled in public schools and an additional 3.2 million U.S.-born children of illegal immigrants in school.<sup>44</sup> Using the 2019 ACS we attempt to update their estimate and find that there were again about 4 million children of illegal immigrants in the nation's schools. The National Center for Education Statistics reports that in the 2019-20 school year the average expenditure per student was \$17,013.<sup>45</sup> Applying the above estimates would mean that illegal immigration cost schools \$68.1 billion a year – before the current surge. Put another way, each additional 100,000 students added to schools by the border crisis will cost \$1.7 billion each year. This estimate is conservative because it does not include the above-average costs for remedial learning and language services that many children of illegal immigrants require. It also does not

take into account that a large share of illegal immigrants reside in states that spend significantly above the national average on education.

**The Cost of the Uninsured.** Another area where illegal immigrants create significant costs is the nation's health care system, particularly its emergency rooms. As already discussed, illegal immigrant households make extensive use of Medicaid, typically due to their U.S.-born children. In addition to Medicaid, about one-fifth of all those without health insurance in the U.S., before the current border crisis, were illegal immigrants. Migration Policy Institute (MPI) MPI estimated that 53 percent of illegal immigrants in 2019 lacked health insurance – 5.83 million.<sup>46</sup> This equals 22 percent of the total uninsured, though the Census Bureau estimate of the uninsured is not adjusted for undercount in the way that MPI's estimate of illegal is adjusted.<sup>47</sup> Public expenditures (federal, state, and local) on the uninsured total \$33.6 billion annually.<sup>48</sup> If illegal immigrants account for about one-fifth of government expenditures on the uninsured, it would equal nearly \$7.5 billion a year. However, Medical Expenditure Panel Survey that immigrants in general tend to consume somewhat less health care than the U.S.-born, primarily because they are relatively young. So, expenditures on the uninsured illegal immigrants by taxpayers likely total less than \$7 billion each year. On the other hand, this estimate does not include the U.S.-born minor children of illegal immigrants, a significant percentage of whom are also uninsured.

## Effect on the Labor Force

**The Educational Level of Illegal Immigrants.** Like the fiscal impact, educational attainment is also a key factor when considering the impact of illegal immigrants on the labor force because it determines what type of jobs they typically do. As already discussed all prior research indicates that the overwhelming majority of illegal immigrants have modest education levels. Based on the citizenship of individuals encountered at the border and Census Bureau data, it seem likely that new illegal immigrants who arrived during the current surge also have similarly modest levels of education. While some illegal immigrants are well educated, their primary impact on the labor market is to increase the supply of workers with no more than a high school education.

**Illegal Immigrants by Occupation.** Putting aside the extent to which there is undercount in Census Bureau data, there are likely now at least 9 illegal immigrants in the U.S. labor force.<sup>49</sup> Due to their education levels, they are heavily concentrated in lower-wage less-skilled jobs such as construction labor, building cleaning and maintenance, food service and preparation, groundskeeping, retail sales, and food processing. In a 2018 Center for Immigration Studies report, we estimated the illegal share of workers in all 474 occupations as defined by the Department of Commerce using Census Bureau data.<sup>50</sup> We found that only six were majority immigrant (legal and illegal). These six occupations account for 1 percent of the total U.S. workforce. Perhaps most important, there are no occupations in the United States in which a majority of workers are illegal immigrants. Even in the two dozen occupations where illegal immigrants are 15 percent or more of the workers, there are still 5.7 million U.S.-born Americans and 2.2 million legal immigrants employed.

Top Ten Occupations where Illegal Immigrants are the Largest Share					
Occupation	Illegal Share	Legal Immigrant Share	Native Share	U.S.-born in Occupation	Illegal Immigrants in Occupation
Plasterers & Stucco Masons	31%	27%	42%	14,797	10,832
Graders & Sorters, Agricultural Products	30%	32%	38%	27,593	21,993
Drywall Installers, Ceiling Tile Installers, & Tapers	28%	20%	51%	80,702	44,761
Agricultural Workers, Animal Breeders	28%	23%	49%	451,512	258,484
Pressers, Textile, Garment, & Related Materials	26%	22%	52%	25,394	12,911
Roofers	24%	18%	58%	139,662	56,912
Sewing Machine Operators	22%	30%	48%	97,777	45,908
Painters, Construction & Maintenance	21%	21%	59%	378,866	132,961
Carpet, Floor, & Tile Installers & Finishers	21%	19%	60%	104,023	35,565
Maids & Housekeeping Cleaners	20%	29%	51%	873,439	351,434
Total Labor force	5%	12%	83%	133,452,383	7,655,428

Top Ten Occupations with the Largest Number of Illegal Immigrants					
Occupation	Illegal Immigrants in Occupation	Illegal Share	Legal Immigrant Share	U.S.-born Share	U.S.-born in Occupation
Maids And Housekeeping Cleaners	351,434	20%	29%	51%	873,439
Cooks	336,363	13%	16%	71%	1,840,832
Construction Laborers	332,258	17%	18%	65%	1,275,355
Agricultural Workers, Animal Breeders	258,484	28%	23%	49%	451,512
Grounds Maintenance Workers	255,066	17%	17%	66%	1,000,518
Janitors And Building Cleaners	243,608	9%	18%	73%	2,012,226
Driver/Sales Workers And Truck Drivers	191,777	5%	12%	83%	3,009,564
Cashiers	191,306	5%	10%	85%	3,319,122
Carpenters	178,254	14%	14%	72%	926,980
Laborers, Freight, Stock, Material Movers	153,790	6%	9%	85%	2,110,123
Total Labor force	7,655,428	5%	12%	83%	133,452,383

*There Are No Jobs Americans*. Steven A. Camarota, Jason Richwine, and Karen Zeigler, August 2018, Center for Immigration Studies.  
 Figures are based on five-year file (2012 to 2016) public use file of the American Community Survey and are not adjusted for undercount.

The notion that illegal immigrants only do jobs Americans don't want is simply false. It is true that most Americans do not face significant job competition from illegal immigrants, because they tend to have more years of schooling or they work in the public sector, where there are relatively few illegal immigrants. But millions of Americans do compete with them for jobs. Those who do face competition from illegal immigrants tend to be employed in low-wage and are among the least educated Americans —

U.S.-born and legal immigrant.

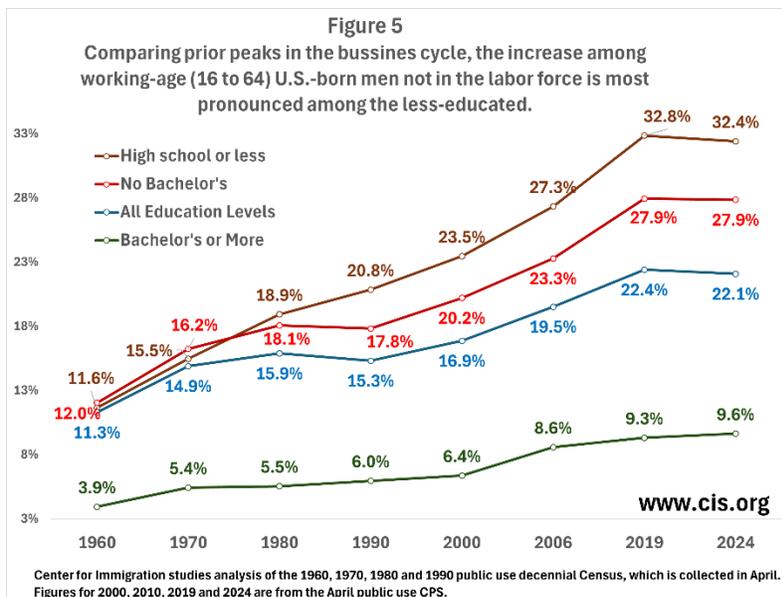
**Farm Labor.** The need for agricultural labor often dominates the discussion on illegal immigrant workers. Many people mistakenly assume that most illegal immigrants work on farms, but this has not been true for many decades. In fact, only about 1 percent of the entire American labor force is employed in agriculture, so it is impossible for farm workers to account for a large share of all illegal immigrant workers. In the aforementioned 2018 Center for Immigration Studies report by myself and two colleagues, we estimated that just 4 percent of all illegal aliens in the labor force were employed in agriculture. Pew Research estimates a similar percentage.<sup>51</sup> Although illegal immigrants make up a significant share of workers in this small sector, only a tiny share of all illegal immigrants are farm workers. The vast majority who work in the service, construction, and other sectors discussed above are U.S.-born or legal immigrants.

**Evidence that Immigration Reduces Wages.** Despite assertions to the contrary, there is clear evidence that immigration does reduce the wages and employment of some U.S.-born workers, though distinguishing the impact of illegal immigration in particular is difficult. In its 2017 magisterial report, the National Academies of Sciences, Engineering, and Medicine reviewed the research on the effects of immigration on the U.S. labor market and cited numerous academic studies showing negative wage impacts from immigration, particularly on the least educated.<sup>52</sup> A 2019 review of over 50 studies by economist Anthony Edo took a more international perspective and again came to the same conclusion. Edo points out that low-skill immigration tends to make low-skill natives the “losers” and high-skill natives the “winners”, with an increase in inequality as one of the consequences.<sup>53</sup> Of course, lower wages for some

Americans can increase economic opportunities for other workers, and it can also increase profits for businesses and lower prices for consumers. But there is no free lunch; these benefits require that some Americans, typically at the bottom of the labor force, lose out.

**Trump Slowdown May Have Helped Workers.** A report by Karen Zeigler and myself last year found that the number of new immigrants (legal and illegal) averaged 1.38 million from 2017 to 2019, compared to 1.62 million in 2015 and 1.75 million in 2016. A part of this falloff seems to have been a reduction in illegal immigration. We further found that this slowdown coincided with a 3.2 percent increase (inflation adjusted) in median weekly wages for U.S.-born workers without a bachelor’s, in contrast to slight declines in the prior four years. Labor force participation also increased during the immigration slowdown much more than it did in the years before the Trump administration.<sup>54</sup> A study in *Economic Review* finds something similar. It shows that the downturn in immigration during Trump’s presidency coincided with an increase in job offers in areas where immigrants had traditionally been settling relative to lower immigration areas. Further, advertised wages grew substantially more in areas that had become more dependent on immigration than lower immigration areas. This lends support to the idea that the slowdown during the Trump administration helped U.S.-born workers.<sup>55</sup>

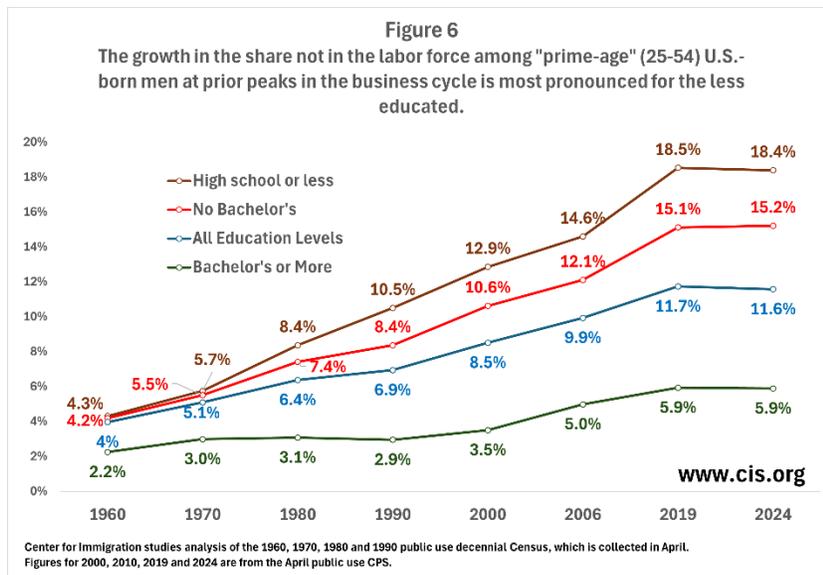
**Labor Force Participation.** One of the arguments for immigration, including tolerating illegal immigration, is that the low unemployment rate means there are not enough workers. But this ignores the enormous increase in the share of U.S.-born people who are of working age but not in the labor force. They do not show up as unemployed because they are not actively looking for work. Sometimes this issue is examined as the “the labor force participation rate,” which is the share of working-age people either working or looking for work. In the discussion that follows I report the inverse of this number -- that is, the share of working-age people *not* in the labor force.



**Deterioration in Work Among the Less Educated.**

As already discussed, illegal immigration mainly increases the supply of workers with modest levels of education, and it is precisely such workers who have seen their participation in the labor force deteriorate. Figure 5 shows that for U.S.-born men (16 to 64) without a bachelor’s degree, the share not in the labor force increased from 12 percent in 1960 to 20.2 percent in 2000, to 27.9 percent in April 2024.

While the situation may have returned to what it was in 2019 before Covid, it still represents a dramatic change from what it was historically. If we exclude the young and those who might have retired early and focus only on “prime age” men (25 to 54), who are traditionally the most likely to work, we still find a significant deterioration for those without a bachelor’s degree. They went from near universal participation — just 4.2 percent were not in the labor force — in 1960 to 10.6 percent in 2000 to 15.2 percent in 2024. U.S.-born women (25 to 64) with no more than a high school diploma have fared better than men, though the share of women not in the labor force rate is still higher in 2024 than in 2000, when female participation peaked. The overall picture is one of very substantial long-term increase in the share of less-educated U.S.-



born Americans not in the labor force, though women have done better recently. For men without a bachelor’s the deterioration is 6 decades long, and the share not in the labor force is at or near historic highs.

**Has Immigration Caused the Decline in Work?** The extent to which immigration reduces the wages of some U.S.-born workers, particularly the less-educated, it undermines the incentive to

work. The fall-off in immigration in the first three years of the Trump administration certainly coincided with an increase in labor force participation among workers without a bachelor’s degree. A 2019 Center for Immigration Studies analysis of EEOC discrimination cases found numerous instances where immigrants were used to replace U.S.-born workers.<sup>56</sup> Other research finds a negative impact on the employment of young U.S.-born workers, while more than one study has found a negative impact on the employment of Black Americans from immigration.<sup>57</sup> However, it seems certain that many factors have contributed to the decline in labor force participation.

Some researchers believe globalization and automation have weakened demand for less-educated labor and caused a long-term decline in wages, making work less attractive.<sup>58</sup> If correct, then tolerating large-scale illegal immigration is highly counterproductive, since it primarily adds less-educated workers. Other researchers point to overly generous welfare and disability programs that undermine work.<sup>59</sup> Some research holds that changing expectations about men as providers, including the decline in marriage, has caused them to value work less.<sup>60</sup> There is also evidence that substance abuse, obesity, and criminal records can be causes *and* effects of the decline in work.<sup>61</sup> Immigration is likely only one of many factors that have increased the share of working-age U.S.-born men not in the labor. But immigration almost certainly has an indirect impact on labor force participation by allowing our society to ignore

this problem.

**Ignoring the Decline in Participation.** The continued arrival of so many immigrant workers, a large share of whom are illegally in the country, allows policymakers to ignore this huge deterioration in participation. After all, why worry about all the American-born people not in the labor force when we can simply bring in ever more immigrants to fill jobs? The extensive list of politicians and business groups currently calling for giving work authorization to illegal immigrants in the last two months is but the latest example of how immigration allows opinion leaders to focus on giving more jobs to immigrants to deal with a tight labor market rather than deal with all of the U.S.-born Americans on the economic sidelines. Ignoring and relying on immigrant labor seems extremely unwise. There is strong association between not working and so-called “deaths of despair”, including suicide, drug overdose, and destructive levels of alcohol consumption and death from poisoning.<sup>62</sup> Men not in the labor force also make relatively unattractive marriage partners, so low participation hinders family formation.<sup>63</sup> Additionally, not being employed is associated with social isolation.<sup>64</sup> There are a number of studies showing a link between not working and crime.<sup>65</sup> The increase in U.S.-born men not in the labor force is not only bad for these individuals, it has significant negative consequences for American society.

## Conclusion

It is perhaps understandable and even laudable that many public figures in this country focus on the plight of illegal immigrants. It is certainly true that many of those who show up at our southern border, or who have been flown into the United States under the CHNV program, face difficult circumstances in their home countries. But seeing illegal immigrants simply as desperate people facing desperation fails to appreciate that they are also rational risk-takers who are responding to the incentives the administration has created. As long as prospective illegal immigrants know there is a very good chance they will be released if they make it here, they will keep coming in large numbers.

Elected leaders are supposed to act in the best interest of the American people. Tolerating widespread illegal immigration, or even encouraging it, has a cascading series of consequences for the American people. It is why public opinion polls show tremendous dissatisfaction with the current situation. Illegal immigration has implications for national security, public safety, and the rule of law. My testimony has focused on housing, public coffers, and the labor market. There is very good reason to believe that in some parts of the country illegal immigration has driven up rents and made housing less affordable relative to wages. Equally important, prior research makes clear that by adding large numbers of people to the country with modest levels of education, illegal immigration creates a net fiscal drain.

There is also little doubt that by dramatically increasing the supply of less-educated labor, illegal immigration reduces wages for some less-educated American workers, especially the poorest and least educated. Perhaps even more important, the availability of so many illegal immigrant workers allow businesses and policymakers to largely ignore the huge increase in the share of working-age Americans not in the labor force, particularly men. There is a near consensus that this deterioration in participation in the labor force contributes to profound social problems including, crime, substance abuse, failure to form families, welfare dependence, social isolation, and an early death. Those who strongly empathize with the desire of people from other countries

to come here need to understand the very real negative impact illegal immigration has on many Americans.

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<sup>1</sup>The term “immigrant” has a specific meaning in U.S. immigration law, which is all those inspected and admitted as lawful permanent residents (green card holders). In this analysis, we use the term “immigrant” in the non-technical sense to mean all those who were not U.S. citizens at birth.

<sup>2</sup><https://www.cbp.gov/newsroom/stats/nationwide-encounters>

<sup>3</sup>*The Consequences of the Biden-Harris Administration's Open-Borders Policies: The Cases of Four Illegal Aliens Who Viciously Attacked a Man on a Chicago Train*. U.S. HOUSE OF REPS., COMM. ON THE JUDICIARY (Aug. 21, 2024). Source: <https://judiciary.house.gov/media/press-releases/consequences-biden-harris-administrations-open-borders-policies-cases-four>.

<sup>4</sup>See Table 2b in Department of Homeland Security Border Security Metrics Report: 2022. U.S. Department of Homeland Security, July 3, 2023), [https://www.dhs.gov/sites/default/files/2023-07/2023\\_0703\\_ply\\_fiscal\\_year\\_2022\\_border\\_security\\_metrics\\_report\\_2021\\_data.pdf](https://www.dhs.gov/sites/default/files/2023-07/2023_0703_ply_fiscal_year_2022_border_security_metrics_report_2021_data.pdf)

<sup>5</sup>On May 15, 2024 Fox News reported 606,131 got-aways in FY 2022 and 670,674 in 2023.

<https://www.foxnews.com/politics/new-data-reveals-illegal-immigrants-eluding-border-patrol-spiked-under-biden-surpassing-predecessors>

<sup>6</sup>FY 2022 Entry/Exit Overstay Report, June 2022, Department of Homeland Security,

[https://www.dhs.gov/sites/default/files/2023-07/23\\_0707\\_FY22\\_FY23\\_CBP\\_Integrated\\_Entry\\_Exit\\_Overstay\\_Report.pdf](https://www.dhs.gov/sites/default/files/2023-07/23_0707_FY22_FY23_CBP_Integrated_Entry_Exit_Overstay_Report.pdf).

<sup>7</sup>For additional discussion about the FY2022 report, see DHS Reports Record Number of Overstays in 2022, Jessica M. Vaughan, Center for Immigration Studies, June 23, 2023. <https://cis.org/Vaughan/DHS-Reports-Record-Number-Overstays-2022>.

<sup>8</sup>“American Community Survey Shows Record Size and Growth in Foreign-Born Population in 2023,” Steven A. Camarota, September 12, 2024, Center for Immigration Studies. <https://cis.org/Camarota/American-Community-Survey-Shows-Record-Size-and-Growth-ForeignBorn-Population-2023>

<sup>9</sup> “Estimating the Illegal Immigrant Population Using the Current Population Survey,” Steven A. Camarota and Karen Zeigler, on March 29, 2022, Center for Immigration Studies, <https://cis.org/Report/Estimating-Illegal-Immigrant-Population-Using-Current-Population-Survey>

<sup>10</sup>In interpreting this increase, note that our estimate for the first part of 2021 represents a low point. The number of illegal immigrants was higher in 2019 before Covid. But, after 2021 the increase has been extremely large.

<sup>11</sup>The largest uncertainties surrounding these numbers are: First, we do not have all the data available to estimate legal immigration in 2023 and 2024. Second, we do not know how out-migration (emigration) may have changed among the existing legal immigrant population or illegal immigrant population in a post-Covid world, so we use prior patterns. A third area of uncertainty is the lack of a detailed recent literature on the undercount of immigrants generally and illegal immigrants in particular in the monthly CPS. It is unclear how many illegal immigrants are currently being missed by the survey. We had assumed only a 2.3 percent undercount for illegal immigrants in this data. But, given what has happened at the border, this level of undercount seems too low. The scale of the recent surge makes it more difficult for the Census Bureau to capture new arrivals in the survey as well as weight the data correctly to reflect the influx. If the undercount is larger, then the illegal immigrant population would be correspondingly larger. Without undercount adjustment we estimate 10 million in 2021 illegal immigrant in the data, 11.2 million in 2022, 12.3 million in 2023, and 13.7 million in 2024. Our hope is to revise and continually improve this estimate as more information becomes available over time.

<sup>12</sup>These figures come from an analysis of the public use 2024 August Current Population Survey.

<sup>13</sup>These figures come from an analysis of the public use 2024 Annual Social and Economic Supplement of the Current Population Survey (ASEC CPS), reflecting the population in March. The ASEC CPS identifies renters and homeowners.

<sup>14</sup>Cost of Rent and Utilities Rose Faster Than Home Values in 2023, U.S. Census Bureau, September 12, 2024. <https://www.census.gov/library/stories/2024/09/acs-rent-burden.html>

<sup>15</sup>“The Migrant and Housing Crises are Colliding with Predictable Results,” Paul Kupiec, *The Hill*, October 5, 2023. “Fact check: Does immigration increase housing costs?” Sarah Bedford, *Washington Examiner*, May 24, 2023.

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<sup>16</sup>Immigration and Housing Rents in American Cities,” Albert Saiz, *Journal of Urban Economics*, 2007.

<https://www.sciencedirect.com/science/article/abs/pii/S009411900600074X>

<sup>17</sup>“Immigration and housing: A Spatial Econometric Analysis,” Abeba Mussa, Uwaoma G. Nwaogu and Susan Pozo, *Journal of Housing Economics* March 2017.

<https://www.sciencedirect.com/science/article/abs/pii/S1051137717300025>

<sup>18</sup>“How Migration Affects Housing Affordability,” John Daley, Brendan Coates, and Trent Wiltshire, *The Conversation*, March 4, 2018, <https://theconversation.com/how-migration-affects-housing-affordability-92502>.

“Immigration is making Canada's housing more expensive. The government was warned 2 years ago,”

Nojoud Al Mallees, *The Canadian Press* January 11, 2024. <https://www.cbc.ca/news/politics/ircc-immigration-housing-canada-1.7080376>

<sup>19</sup>“An Assessment of the Immigration Impact on the International Housing Price,” Albert Saiz Barbu, T.C, Vuța, M., Străchinaru, A.I. and Cioaca, S.I., 2017. *Amfiteatru Economic*, 19(46), pp. 682-695.

<sup>20</sup>“Updating the Costs of NYC’s Asylum Seeker Crisis,” New York City Web site,

<https://www.nyc.gov/content/getstuffdone/pages/asylum-seeker-update>

<sup>21</sup>“Mayor Eric Adams announces sweeping budget cuts that would drop number of police officers to lowest since 1990s,” Marcia Kramer and Natalie Duddridge, CBS News, November 16, 2023.

<https://www.cbsnews.com/newyork/news/new-york-city-mayor-eric-adams-set-to-announce-sweeping-budget-cuts-in-response-to-asylum-seeker-crisis/>.

<sup>22</sup>“Budget Hearings Kick Off with Intense Scrutiny on Costs to Care for Migrants in Chicago,” Heather Cherone, WWTW News, October 16, 2023, <https://news.wttw.com/2023/10/16/budget-hearings-kick-intense-scrutiny-costs-care-migrants-chicago>.

<sup>23</sup>“As migrants continue to arrive in D.C. concerns remain about capacity,” Michael Brice-Saddler, *Washington Post*, September 4, 2023, <https://www.washingtonpost.com/dc-md-va/2023/09/03/dc-migrants-buses-hotels-update/>

<sup>24</sup>“Denver mayor says migrant crisis could cost city \$180 million in 2024,” Marc Sallinger, *News9*, Jan 2,

<https://www.9news.com/article/news/local/next/next-with-kyle-clark/denver-mayor-says-migrant-crisis-could-cost-city-180-million-2024/73-7921e159-19cb-4378-9ee7-991092173f8e>.

<sup>25</sup>Executive Office For Administration & Finance Commonwealth of Massachusetts Memorandum, August 26, 2024. <https://malegislature.gov/Bills/193/SD3396.pdf>

<sup>26</sup>The Center for Migration Studies estimates that in 2019, 67 percent had no education beyond high school, 14.5 percent have some college, and 18.5 percent have a bachelor’s or more. Center for Migration Studies website, <http://data.cmsny.org/>. The Migration Policy Institute’s estimate based on pooled data from 2015 to 2019 shows that 70 percent have no education beyond high school, 12 percent have some college, and 18 percent have at least a college education. Migration Policy Institute website, <https://www.migrationpolicy.org/data/authorized-immigrant-population/state/US>.

<sup>27</sup>To estimate the education of those encountered at the border, I use the detailed population shares by country reported at Customs and Border Protection website for border encounters. I combine this with the educational attainment from those same countries of new immigrants (arrived in 2020 through 2023) using a pooled sample of the monthly CPS from January to July 2023. This shows that, for adults encountered at the border, 64 percent had no education beyond high school, 12 percent have some college, and 24 percent have at least a bachelor’s. Of course, this approach can provide only limited insight into the possible educational attainment of new illegal immigrants, primarily because we do not have specific data on the subset of those encountered who were released. Equally important, we have no information about the education level of got-aways or those missed by the Border Patrol entirely. We also have not attempted to develop an estimate for the education level of visa over-stayers. (Note: This estimate is only for those identified by country in the CBP data. No country was reported by CBP for about 6-7 percent of encounters. Cubans are also excluded because those paroled into the U.S. can receive permanent residency within one year due to a special provision in the law and therefore do not add to the illegal immigrant population.) Custom and Border Protection web site, <https://www.cbp.gov/newsroom/stats/nationwide-encounters>.

<sup>28</sup>NPV represents the fiscal balance (taxes paid minus costs) if we had to spend the money today. Costs or benefits in the future are discounted or reduced based on how long from now they occur.

<sup>29</sup>The 2017 NAS estimates by education level can be found in Table 8-12 in Chapter 8 of the report, [https://nap.nationalacademies.org/cart/download.cgi?record\\_id=23550&file=359-494](https://nap.nationalacademies.org/cart/download.cgi?record_id=23550&file=359-494). Averaging the eight scenarios by education (all ages) produces the following results: negative \$173,375 for an immigrant with less than a high school education, negative \$69,750 for an immigrant with only a high school education, positive \$41,000 for an immigrant with some college, positive \$183,000 for an immigrant with only a bachelor’s.

<sup>30</sup>The combined net fiscal effects by education level in the Academies’ study are shown in the first column of the table. We use our 2017 analysis, and we adjust downward the net fiscal cost of less-educated illegal immigrants on

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the assumption that they use less in public services than their legal counterparts, but we adjust downward the positive fiscal impact of more educated illegal immigrants based on the assumption that better educated illegal immigrants pay less in taxes than their legal immigrant counterparts because their legal status prevents them from having earnings that reflect their skills. *The Cost of a Border Wall vs. the Cost of Illegal Immigration*, Center for Immigration Studies February, 2017, <https://cis.org/Report/Cost-Border-Wall-vs-Cost-Illegal-Immigration>

The NAS has fiscal estimates for immigrants with a graduate degree, but neither CMS nor MPI have any estimate for illegal immigrants with this education level. Both organizations are only estimating that 18 percent have a bachelor's or more. To address this issue we assume that 10 percent of illegal immigrants with a bachelor's degree have a graduate degree and then apply the NAS study's fiscal impacts estimates by education level.

<sup>31</sup>"Effects of the Immigration Surge on the Federal Budget and the Economy," CBO report, July 23, 2024. [www.cbo.gov/system/files/2024-07/60165-Immigration.pdf](https://www.cbo.gov/system/files/2024-07/60165-Immigration.pdf)

<sup>32</sup>"The Lifetime Fiscal Impact of Immigrants," Daniel Di Martino, Manhattan Institute September 2024, <https://media4.manhattan-institute.org/wp-content/uploads/the-lifetime-fiscal-impact-of-immigrants.pdf>.

<sup>33</sup>An additional caveat about using the NAS fiscal estimate is that they employ the concept of "net present value" (NPV). While commonly used in economics, this approach has the effect of reducing the size of the net fiscal drain that less-educated immigrants create because the costs or benefits in future years are much less relative to more immediate costs. If the NPV concept is not used, the actual net lifetime fiscal drain illegal immigrants create would be much larger than we report here.

<sup>34</sup>The 2015 Congressional Budget Office's long-term fiscal projection indicated that public debt held by the public would equal 104 percent of GDP in 2040. See *The 2015 Long-Term Budget Outlook*, Congressional Budget Office, June 2015, <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/50250-longtermbudgetoutlook-4.pdf>. In contrast, the 2023 long term outlook showed it would be roughly 140 percent of GDP. See *The 2023 Long-Term Budget Outlook*, Congressional Budget Office, June 2023, <https://www.cbo.gov/system/files/2023-06/59014-LTBO.pdf>.

<sup>35</sup>Based on our estimates of illegal immigrants in the monthly CPS, which we have already discussed, we believe the total weighted illegal population in mid-2022 in the monthly CPS is 11.8 million. The SIPP and CPS use similar weighting schemes, but the surveys cover different population universes. We assume that the ratio of illegals in the two surveys is the same as the ratio (.75) of non-citizen post-1980 Hispanics, a population which significantly overlaps with illegal immigrants. We therefore assume 8.85 million illegal immigrants are in the 2022 SIPP. To determine which SIPP respondents are most likely to be illegal aliens, we first exclude immigrant respondents who are almost certainly not illegal aliens — for example, spouses of native-born citizens; veterans; adults who receive direct welfare payments; people who have government jobs; Cubans (because of special rules for that country); immigrants who arrived before 1981, immigrants in certain occupations that require screening and background checks; and likely student visas holders.

The remaining candidates are weighted to replicate known characteristics of the illegal population by age, gender, continent of origin, certain states of residence, and length of residence in the U.S. as published by the Center for Migration Studies. The resulting illegal population is designed to match CMS on the known characteristics listed above, as well as on education. The total size of the population, however, is controlled to our 8.85 million estimate of illegal immigrants in the 2022 SIPP. For more a detailed discussion of how we estimate illegal immigrants in the data, see "Welfare Use by Immigrants and the U.S.-Born: Comparing program use by foreign- and U.S.-born-headed households," Steven A. Camarota and Karen Zeigler on December, 2023 Center for Immigration Studies, <https://cis.org/Report/Welfare-Use-Immigrants-and-USBorn>.

<sup>36</sup>This eligibility extends to even housing. The [HUD's handbook](#) covering regulations states if at least one member of a family is eligible (e.g., a U.S.-born child), then the family can live in federally subsidized housing, though they may receive pro-rated assistance. New York City has a [similar rule](#) for its own housing programs.

<sup>37</sup> See "State-Funded Health Coverage for Immigrants as of July 2023," Kaiser Family Foundation data web site <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/state-funded-health-coverage-for-immigrants-as-of-july-2023/>

<sup>38</sup>According to the National Immigration Law Center, six states provide SNAP benefits to illegal immigrants even if they do not have U.S.-born children, typically only if they meet certain hardship requirements in addition to having low incomes. [https://www.nilc.org/issues/economic-support/state\\_food/](https://www.nilc.org/issues/economic-support/state_food/)

<sup>39</sup>Food and Nutrition Service, U.S. Department Of Agriculture web site, <https://www.fns.usda.gov/non-citizen-communities#:~:text=The%20food%20is%20free%20for,make%20you%20a%20public%20charge>

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<sup>40</sup>Based on administrative data, we estimated in 2021 that there were roughly [2 million illegal immigrants](#) with work authorization and valid Social Security numbers (SSNs) [that allow](#) receipt of the EITC. Since 2021, the administration has further [expanded work authorizations](#) to illegal immigrants with the recent influx of asylum applicants. Prior research by the Social Security Administration had also estimated some [700,000 illegal immigrants](#) using stolen SSNs. It is unclear if such individuals would be detected and prevented from receiving the EITC by the IRS. Our methodology for selecting illegal immigrants assumes that only those with citizen children may receive the EITC. Any immigrant who reports receiving the EITC without their being a U.S.-born children is assumed to be a legal immigrant.

<sup>41</sup>“Federal Spending on Benefits and Services for People with Low Income: FY2008-FY2020,” Congressional Research Service, December 2021. <https://crsreports.congress.gov/product/pdf/R/R46986>.

<sup>42</sup>“Medicaid Financing: The Basics,” Elizabeth Williams et. al. Kaiser Family Foundation April 2023. <https://www.kff.org/medicaid/issue-brief/medicaid-financing-the-basics/>

<sup>43</sup>The biggest question mark concerning cost is for Medicaid, which is by far the largest program by expenditure. Immigrants are younger and somewhat healthier than U.S.-born people on Medicaid. Moreover, for illegal immigrant households it is often the case that only the U.S. children are eligible for the program. On the other hand, a large share of Medicaid for illegal immigrants is due to pregnant women, and the average costs of pregnancy and delivery is quite high. An analysis of the Medical Expenditure Panel Survey found that immigrant families enrolled in Medicaid cost 90 percent what U.S.-born households enrolled in Medicaid cost. Of course, whether this is true for illegal immigrants specifically is unclear. “The Cost of Immigrant Medicaid Coverage Under Current Policy,” Jason Richwine, October, 2019 Center for Immigration Studies, <https://cis.org/Report/Cost-Immigrant-Medicaid-Coverage-Under-Current-Policy>.

<sup>44</sup>“Children of unauthorized immigrants represent rising share of K-12 students,” Jeffrey S. Passel and D’vera Cohn, Pew Research, 2019, <https://www.pewresearch.org/short-reads/2016/11/17/children-of-unauthorized-immigrants-represent-rising-share-of-k-12-students/>

<sup>45</sup>National Center for Education Statistics, “Fast Facts,” [https://nces.ed.gov/fastfacts/display.asp?id=66#:~:text=Total%20expenditures%20for%20public%20elementary,constant%202021%E2%80%9322%20dollars\).&text=This%20amounts%20to%20an%20average,fall%20of%20that%20school%20year](https://nces.ed.gov/fastfacts/display.asp?id=66#:~:text=Total%20expenditures%20for%20public%20elementary,constant%202021%E2%80%9322%20dollars).&text=This%20amounts%20to%20an%20average,fall%20of%20that%20school%20year).

<sup>46</sup>“Profile of the Unauthorized Population: . U.S.,” Migration Policy Institute web site, <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/US>.

<sup>47</sup>“Health Insurance Coverage in the United States: 2019” U.S. Census Bureau September 2020. <https://www.census.gov/library/publications/2020/demo/p60-271.html>.

<sup>48</sup>“Sources of Payment for Uncompensated Care for the Uninsured,” Teresa A. Coughlin, Haley Samuel-Jakubos, and Rachel Garfield, Kaiser Family Foundation, April, 2021. <https://www.kff.org/uninsured/issue-brief/sources-of-payment-for-uncompensated-care-for-the-uninsured/>

<sup>49</sup>In their estimates CMS shows 71 percent of all illegal immigrants (not just those of working age) are in the labor force. MPI estimated 66 percent (again, not just those of working age) are in the labor force, but it is based on data from 2015 to 2019, when the economy was weaker. Center for Migration Studies website, <http://data.cmsny.org/>. Migration Policy Institute website, <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/US>.

<sup>50</sup>“There Are No Jobs Americans Won’t Do: A detailed look at immigrants (legal and illegal) and natives across occupations,” Steven A. Camarota, Jason Richwine, and Karen Zeigler, August 2018, Center for Immigration Studies, <https://cis.org/Report/There-Are-No-Jobs-Americans-Wont-Do>.

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