



# The Cost of Welfare Use By Immigrant and Native Households

By Jason Richwine

In September 2015, the Center for Immigration Studies published a landmark study of immigration and welfare use, showing that 51 percent of immigrant-headed households used at least one federal welfare program — cash, food, housing, or medical care — compared to 30 percent of native households. Following similar methodology, this new study examines the dollar cost of that welfare use.

- The average household headed by an immigrant (legal or illegal) costs taxpayers \$6,234 in federal welfare benefits, which is 41 percent higher than the \$4,431 received by the average native household.
- The average immigrant household consumes 33 percent more cash welfare, 57 percent more food assistance, and 44 percent more Medicaid dollars than the average native household. Housing costs are about the same for both groups.
- At \$8,251, households headed by immigrants from Central America and Mexico have the highest welfare costs of any sending region — 86 percent higher than the costs of native households.
- Illegal immigrant households cost an average of \$5,692 (driven largely by the presence of U.S.-born children), while legal immigrant households cost \$6,378.
- The greater consumption of welfare dollars by immigrants can be explained in large part by their lower level of education and larger number of children compared to natives. Over 24 percent of immigrant households are headed by a high school dropout, compared to just 8 percent of native households. In addition, 13 percent of immigrant households have three or more children, vs. just 6 percent of native households.

## Introduction

In September 2015, the Center for Immigration Studies published a landmark study of immigration and welfare use, showing that 51 percent of immigrant-headed households (legal and illegal) use at least one federal welfare program, compared to 30 percent of native households.<sup>1</sup> “Welfare” refers to means-tested anti-poverty programs. These include direct cash assistance in the form of Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF); food aid such as free school lunch, the Women, Infants, and Children (WIC) nutrition program, and food stamps; Medicaid; and housing assistance in the form of rent subsidies and public housing. Not included are social insurance programs for which participants must generally pay into the system before drawing benefits, such as Social Security and Medicare.

The earlier CIS study was notable for showing much higher welfare participation rates than previously reported. The reason is that earlier studies measured welfare participation with the Annual Social and Economic Supplement (ASEC) of the Current Population Survey. The ASEC is a simple cross-sectional dataset widely used in labor market research. However, the ASEC substantially undercounts welfare participation, in part because it asks respondents to recall their welfare use over a period between three and 15 months before the interview takes place. To address the undercount problem, CIS used a more complex dataset called the Survey of Income

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and Program Participation (SIPP). As the name implies, the Census Bureau specifically designed the SIPP to measure participation in government programs. In addition, the SIPP is a “longitudinal” dataset, meaning it follows the same respondents over time, asking them about their *monthly* program participation in three different interview “waves” throughout the year. The result is a much more complete picture of welfare participation compared to what the ASEC provides.

Table 1, adapted from that CIS study, quantifies the differences. While the SIPP shows that 51 percent of immigrant-headed households and 30 percent of native-headed households used at least one welfare program in 2012, the comparable figures in the ASEC for immigrant and native households are just 39 percent and 24 percent, respectively.

Note that the ASEC generally undercounts immigrant welfare use more than it undercounts native use. For example, the Medicaid participation rate among native households is 1.27 times (or 27 percent) higher in the SIPP compared to the ASEC, while Medicaid participation among immigrant households is 1.39 times (or 39 percent) higher.

**Why Study the Cost of Welfare Use?** The contribution of this new CIS study is to go beyond participation rates in the SIPP by estimating the dollar costs associated with immigrant and native welfare use. The purpose is two-fold. First, cost estimates are a natural extension of the original project. While it is important for Americans to understand the rate of welfare use among immigrants, expressing that use in dollar terms offers a more tangible metric that is tied to current debates over fiscal policy. With the nation facing a long-term budgetary deficit, this study helps illuminate immigration’s impact on the problem.

The second purpose is more technical. As elaborated in the next section and in the Appendix, a standard strategy in cost studies is to take the undercounted costs in survey data and adjust them so that the total equals the official budgetary numbers. For example, when the National Research Council conducted its comprehensive fiscal analysis of immigration in 1997, the report’s authors first calculated the percentage of a given welfare program’s cost attributed to immigrants in the ASEC, then applied that percentage to the program’s official budgetary cost.<sup>2</sup> The assumption was that the undercount of welfare participation in the ASEC was the same for both immigrants and natives.<sup>3</sup> Given Table 1 above, we now know that assumption does not hold. Undercount is greater for immigrants in the ASEC, meaning that immigrants use more welfare relative to natives than is reported in the National Research Council analysis. Estimating the dollar costs of welfare programs using the SIPP offers the chance for a more fine-tuned comparison.

**Methodology Outline.** The federal budget shows only how much the government spends on each program, not the demographics of recipients. Therefore, the only way to allocate welfare costs between immigrants and natives is to start with a survey — in this case, the SIPP — that includes both respondents’ welfare participation *and* their demographic characteristics.

The SIPP can be used to estimate the portion of welfare costs listed in the government’s budget that goes to immigrants. The assumption here is *not* that immigrants cost exactly what is reported in the SIPP, since surveys inevitably undercount receipt of government services. The key assumption is only that the fraction of costs attributed to immigrants in the SIPP is the same as the fraction of the real budgetary costs consumed by immigrants. For example, if immigrants account for 20 percent of SSI dollars reported in the SIPP, this study assumes that immigrants consume 20 percent of actual SSI spending reported in the budget.

**Table 1. Comparison of Welfare Participation Rates in the SIPP and the ASEC**

Program	Native Households			Immigrant Households		
	SIPP	ASEC	Ratio	SIPP	ASEC	Ratio
Any Welfare	30.2%	24.0%	1.26	51.3%	38.5%	1.33
Cash	9.5%	5.3%	1.80	11.9%	6.3%	1.88
SSI	7.1%	4.2%	1.69	9.0%	4.5%	1.99
TANF	1.7%	1.3%	1.33	2.1%	2.0%	1.05
Food	21.8%	14.7%	1.49	40.3%	25.6%	1.58
School Lunch	12.4%	6.8%	1.82	30.0%	17.3%	1.73
WIC	4.2%	2.5%	1.67	10.9%	5.9%	1.84
SNAP	15.6%	10.7%	1.46	20.8%	13.5%	1.54
Medicaid	22.8%	17.9%	1.27	41.6%	29.9%	1.39
Housing	5.9%	4.3%	1.38	6.0%	5.2%	1.15
Public	5.0%	3.0%	1.67	5.0%	3.5%	1.43
Subsidized	1.7%	1.3%	1.27	1.6%	1.6%	0.98

**Source:** Camarota, “Welfare Use by Immigrant and Native Households”, Table A1. The ASEC is the Annual Social and Economic Supplement of the Current Population Survey. The SIPP is the Survey of Income and Program Participation. Ratio is the SIPP participation rate divided by the ASEC participation rate. In this table, the Cash category includes several miscellaneous programs such as state general assistance and veterans’ compensation. In the rest of this paper, Cash refers exclusively to SSI and TANF. See the Appendix for more details.

The above approach — calculating the costs attributable to immigrant- or native-headed households in a survey, then adjusting those costs so that the total reflects official budgetary numbers — is equivalent to the National Research Council method mentioned earlier, except that CIS uses the more accurate SIPP rather than the ASEC to establish the initial allocation between immigrants and natives. Please see the Appendix for more details.

Technical specifics aside, the findings presented in the next section are *estimates*. All surveys — even the best ones, such as the SIPP — are subject to measurement error, particularly when the surveys ask respondents for the amount of money they receive from various programs. Adjusting the survey costs to reflect budgetary totals eliminates much of the uncertainty. However, the estimates presented in the next section should not be confused with exact budgetary figures.

## Findings

The main findings are presented in Table 2. The average welfare cost in immigrant-headed households is \$6,234, compared to \$4,431 in native-headed households. Immigrant households consume more cash, food, and Medicaid dollars than native households, while housing costs are roughly the same for both groups. Figure 1 shows that Medicaid is the largest welfare program, driving a large part of the overall difference between immigrants and natives.

**Sending Region.** The cost of immigrant welfare use varies by the immigrants' region of origin. Figure 2 shows that the highest-cost households are those headed by immigrants from Central America and Mexico, consuming an average of \$8,251 in welfare spending. Households headed by immigrants from Europe and Asia tend to be the least costly. Unfortunately, individual countries are not identified in the SIPP, so a finer-grained analysis is not possible.<sup>4</sup>

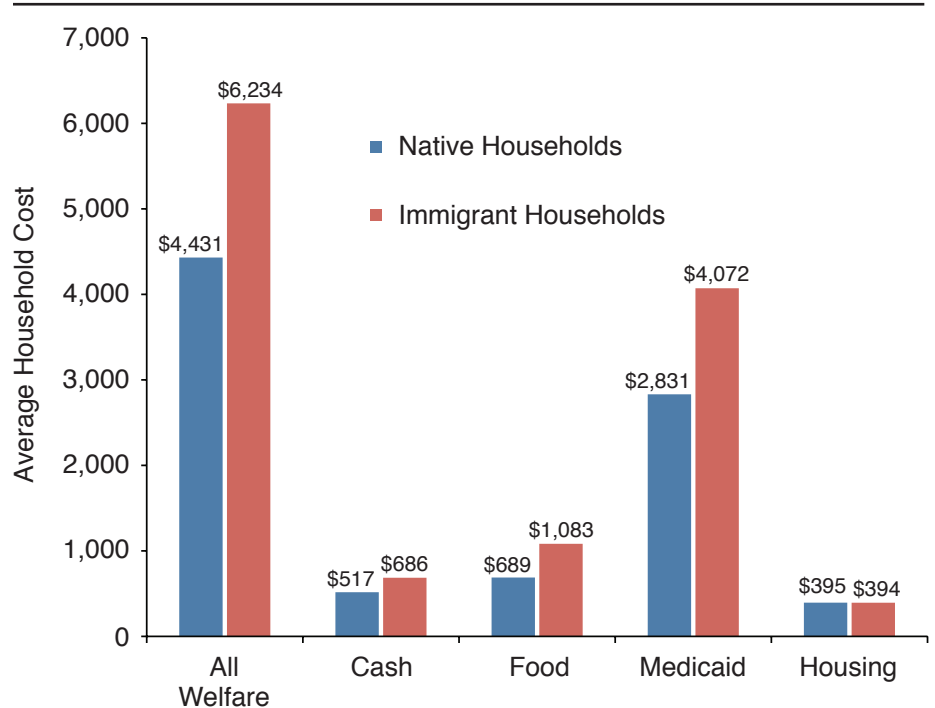
**Legal Status.** Although the SIPP does not directly measure legal status, probability models can be used to determine which immigrants are most likely to be in the country illegally.<sup>5</sup> Table 3 indi-

**Table 2. Average Cost of Household Welfare Use in 2012**

Program	Native Households		Immigrant Households		Immigrant/ Native Cost Ratio
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	
Any Welfare	4,431	140	6,234	413	1.41
Cash	517	29	686	93	1.33
SSI	446	27	589	89	1.32
TANF	70	8	97	27	1.38
Food	689	26	1,083	89	1.57
School Lunch	66	3	179	12	2.71
WIC	32	2	83	9	2.57
SNAP	590	24	821	79	1.39
Medicaid	2,831	99	4,072	270	1.44
Housing	395	26	394	63	1.00
Sample Size	22,077		2,980		
Weighted n (millions)	104.6		16.16		

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head.  
C.I. = confidence interval.

**Figure 1. Immigrant households consumed more welfare than native households in 2012.**



**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Food programs include free or reduced school lunch, WIC, and food stamps; cash includes SSI and TANF; and housing includes subsidized and public housing. Households are classified by the nativity of the household head.

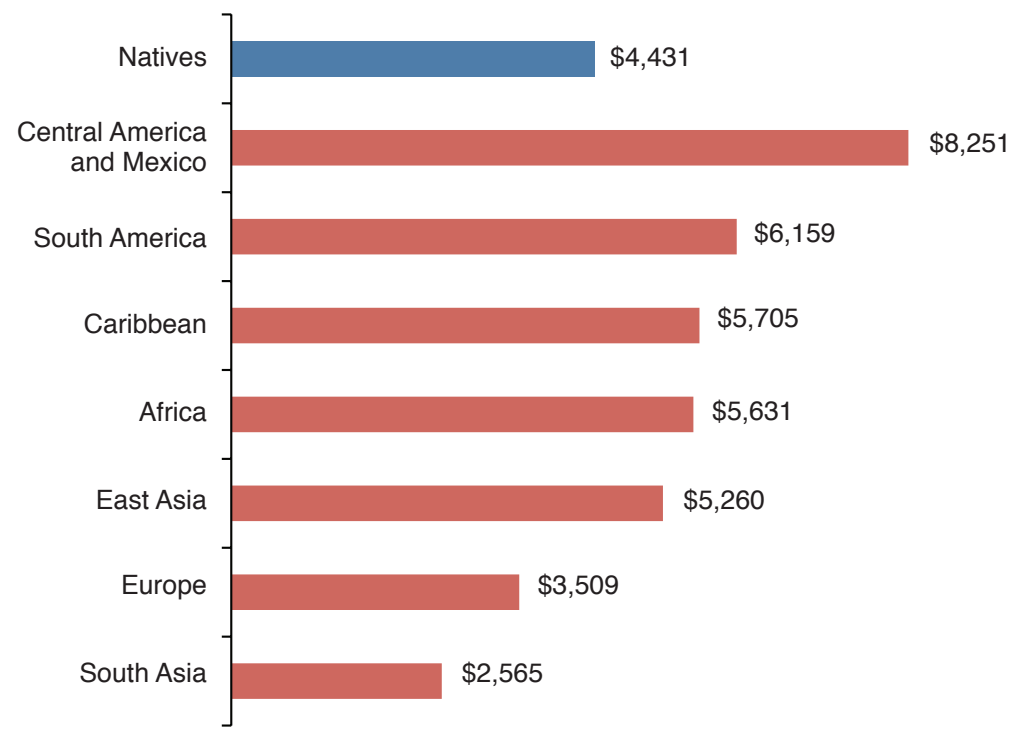
cates that households headed by (likely) illegal immigrants have an average welfare cost of \$5,692. Illegal immigrants are barred from directly accessing most (though not all) welfare programs, but they can receive welfare through their U.S.-born children.<sup>6</sup> Legal immigrant households, which have greater eligibility for welfare, cost \$6,378 on average.

**Workers.** A popular misconception about the American welfare system is that it mainly benefits people who are not in the labor force. In fact, most means-tested anti-poverty programs are open to low-wage workers. For that reason, limiting the analysis to households with at least one worker, as Table 4 does, only modestly reduces the welfare cost estimates. The drop is especially small for immigrant households — from an overall cost of \$6,234 in Table 2 to \$5,340 in Table 4 — because 84 percent of immigrant households already contain a worker (vs. 73 percent of native households). Therefore, the higher welfare spending on immigrant households compared to native households is *not* due to a lack of work among immigrants. The difference is better explained by the demographic factors analyzed below.

**Education.** It is easy to understand why people with fewer skills are more likely to participate in welfare programs, since eligibility for those programs requires a low income. Unsurprisingly, Table 5 shows that welfare costs decrease as the education of the household head increases. Whereas immigrant households headed by a high school dropout cost an average of \$10,329, immigrant households with college-educated heads cost just \$2,455. The table demonstrates that the difference between immigrant and native household welfare costs becomes smaller after accounting for education.

Some differences remain. College-educated immigrant households consume substantially more welfare than comparably educated na-

Figure 2. Household welfare consumption in 2012 tended to be higher among immigrants from Latin America and lower among immigrants from Europe and Asia.



**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head. Individual countries are not identified in the source data.

Table 3. Average Household Cost of Welfare Use in 2012, by Legal Status

Program	Native Households		Legal Imm. Households		Illegal Imm. Households	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	4,431	140	6,378	485	5,692	669
Cash	517	29	805	113	238	84
SSI	446	27	712	108	122	65
TANF	70	8	92	31	116	54
Food	689	26	999	95	1,399	194
School Lunch	66	3	143	12	314	33
WIC	32	2	64	9	156	25
SNAP	590	24	792	85	929	166
Medicaid	2,831	99	4,131	313	3,846	476
Housing	395	26	443	73	209	84
Sample Size	22,077		2,412		568	
Weighted n (millions)	104.6		12.77		3.39	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head. Legal status is determined by a probability model described in Camarota, “Welfare Use by Legal and Illegal Immigrant Households”. C.I. = confidence interval.



tives. At the other end of the skill spectrum, immigrant households headed by a high school dropout use less welfare than their native counterparts. More important than those intra-education differences, however, is the distribution of education across households. The “Percentage” rows in Table 5 show that over 24 percent of immigrant households are headed by a high-school dropout, vs. just 8 percent of native households. Such stark educational differences will inevitably lead to differences in welfare consumption.

**Children.** Another important cause of the difference between immigrant and native households is the presence of minor children. Table 6 shows that costs are similar for a given number of children, and immigrant households have more children on average than native households. However, the presence of children is not the only reason for the relatively higher welfare cost of immigrant households. Table 6 shows that immigrant households *without* children consume significantly more welfare dollars than childless native households.

**Race and Ethnicity.** Regardless of nativity, households headed by blacks or Hispanics consume more welfare dollars on average than households headed by whites or Asians. However, Table 7 shows some interesting immigrant-native differences within racial groups. Immigrant households headed by blacks and Hispanics cost less than their native counterparts, while white- and Asian-headed immigrant households cost more. Despite the lower cost among immigrant Hispanics compared to native Hispanics, a much larger proportion of immigrant households are headed by Hispanics, which contributes to the greater overall cost difference between immigrants and natives.

**Explaining Immigrant-Native Cost Differences with Regression Analysis.** What explains the cost difference between immigrant and native households? The preceding sections control one at a time for factors such as education and number of children. This section uses regression analysis to simultaneously control for multiple explanatory variables, giving a better sense of which factors are most important.

Table 8 shows how the difference between immigrant and native welfare costs varies depending on the controls. The first row gives the baseline estimate with no controls other than an indicator for immigrant status. In the no-control scenario, immigrant households cost \$1,803 more than native households, which is consistent with Table 2 above. The second row shows that the immigrant-native difference becomes larger — up to \$2,323 — when we control for the presence of a worker in the household. The difference then becomes gradually smaller as controls are added for education and number of children. The fourth row shows that immigrant households with the same worker status, education, and number of children as native households cost just \$309 more, which is a statistically insignificant difference. The fifth row shows that immigrants use fewer welfare dollars when they are compared to natives of the same race as well as worker status, education, and number of children.

Although this regression analysis is interesting from a sociological perspective, it is important not to overstate its importance. Once we control for demographic factors, we are now looking only at hypothetical costs that might exist *if* immigrants had the average characteristics of natives. It is easy to see how these hypothetical costs could be abused in policy debates. For example, immigration restrictionists might argue that immigrants are uniquely prone to using welfare because they cost more than natives with the same employment status. Supporters of expanded immigration might counter that immigrants’ greater attachment to the workforce is more important than their welfare use.

Similarly, immigration advocates often argue that although immigrants use more welfare than natives, low-skill immigrants use less welfare than low-skill natives.<sup>7</sup> (See the “less than high school” column in Table 5.) Critics respond that this is the

**Table 4. Average Cost of Welfare Use in 2012 in Households with a Worker**

Program	Native Households		Immigrant Households	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	3,208	126	5,340	391
Cash	291	25	458	83
SSI	250	24	384	79
TANF	41	8	75	26
Food	596	27	1,035	85
School Lunch	71	3	196	13
WIC	35	3	91	10
SNAP	490	25	748	75
Medicaid	2,135	93	3,638	277
Housing	187	18	208	44
Sample Size	15,372		2,427	
Weighted n (millions)	76.7		13.64	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head. Worker status is determined by the January interview. C.I. = confidence interval. Table A5 contains more detailed data.

wrong standard for judgment. Just because poor and unskilled immigrants may consume fewer welfare dollars than equally poor and unskilled natives, it does not necessarily follow that such immigrants are good candidates for residence and citizenship, since the United States could simply pursue immigrants who do not have low levels of education in the first place.

The most important row in Table 8 is the first one, which shows the actual cost differences between immigrants and natives. The remaining rows help establish the reasons for the differences — and, in so doing, may inform policy debates regarding skill selection — but immigrants do not become more or less costly based on their hypothetical characteristics. It is the actual characteristics that matter.

**Cost of Households Currently Using a Given Welfare Program.** Up to this point, every table in this study has shown

welfare costs averaged across all households regardless of whether the households are participating in a welfare program. In other words, many \$0 values are included in the averages. These tables answer the question, “How much does the average immigrant household cost in welfare expenditures compared to native households?”

A related but different question is how much immigrant and native households cost once they are on the welfare program in question. Table 9 restricts the cost averages to households participating in the welfare program listed in each row. For example, among immigrant households receiving SSI, the average benefit is \$6,561, compared to \$6,274 for native households receiving SSI. Immigrant and native household costs are generally similar in Table 9, with the important exception of Medicaid. Once enrolled in Medicaid, immigrant households cost less on average than native households, perhaps due to immigrant coverage being more tilted toward children rather than the elderly and disabled. In fact, because of legal restrictions, immigrant households are more likely to be “child-only” welfare recipients.<sup>8</sup>

**Table 5. Average Cost of Household Welfare in 2012, by Education**

Program	Native Households							
	Less Than High School		High School		Some College		College Degree Or More	
	90 %		90 %		90 %		90 %	
	Cost	C.I. (±)	Cost	C.I. (±)	Cost	C.I. (±)	Cost	C.I. (±)
Any Welfare	11,671	804	6,202	412	4,496	217	1,099	115
Cash	1,573	174	700	70	509	42	112	23
SSI	1,395	164	582	65	441	42	104	22
TANF	179	54	118	20	68	16	7	4
Food	1,653	130	989	71	736	43	147	21
School Lunch	141	13	84	7	78	5	19	3
WIC	50	10	47	6	36	4	11	3
SNAP	1,462	119	857	65	622	40	117	19
Medicaid	7,169	532	3,941	286	2,885	152	779	89
Housing	1,275	159	573	58	367	38	61	14
Sample Size	1,988		5,645		7,885		6,559	
Weighted n (millions)	8.15		25.81		38.44		32.20	
Percentage	7.8%		24.7%		36.7%		30.8%	
Program	Immigrant Households							
	Less Than High School		High School		Some College		College Degree Or More	
	90 %		90 %		90 %		90 %	
	Cost	C.I. (±)	Cost	C.I. (±)	Cost	C.I. (±)	Cost	C.I. (±)
Any Welfare	10,329	879	7,829	745	5,081	794	2,455	397
Cash	1,067	179	762	158	637	270	349	99
SSI	897	175	577	142	603	269	336	97
TANF	170	67	185	73	34	31	13	12
Food	1,946	215	1,486	168	729	153	314	83
School Lunch	332	27	239	25	123	23	47	7
WIC	159	26	100	24	68	17	19	8
SNAP	1,456	192	1,147	149	538	139	248	79
Medicaid	6,776	658	5,008	526	3,407	542	1,598	261
Housing	539	119	573	133	309	102	194	68
Sample Size	756		694		637		893	
Weighted n (millions)	3.93		3.87		3.56		4.81	
Percentage	24.3%		23.9%		22.0%		29.7%	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data.  
 Households are classified by the nativity of the household head.  
 C.I. = confidence interval.  
 Table A5 contains more detailed data.

# The Broader Fiscal Picture

This study focuses on the cost of major welfare programs used by immigrant and native households. By contrast, a complete fiscal analysis would measure the cost of *all* government services and compare those costs with the taxes paid by each type of household. Some readers may wonder whether broadening the analysis would reveal that immigrant households make up for their greater welfare cost by paying higher taxes. This is not the case. As the previous CIS study of welfare participation demonstrated, immigrant households pay only about 89 cents in federal income and payroll taxes for every dollar paid by native households.<sup>9</sup>

The aforementioned report by the National Research Council, which did measure all government expenditures and taxes paid, found that immigrant households cost taxpayers as much as \$2,200 per year in the 1990s, depending on their state of residence.<sup>10</sup> More recently, the Heritage Foundation's complete fiscal analysis (to which the author of this study contributed) estimated that the average legal immigrant household paid \$4,344 less in taxes than it received in services in 2010, compared to a deficit of just \$310 for the average native household.<sup>11</sup> For the most up-to-date numbers, the National Research Council will release a new analysis later this year.

The studies mentioned above measure the *direct* fiscal effects of immigration by comparing the services households receive with the taxes they pay. But what about indirect effects? Immigration touches all aspects of American life, so one could give almost endless examples of immigrants influencing society in ways that indirectly change how much the government taxes and spends. Attempting to quantify some of those indirect effects is not objectionable in itself, but it does open a "Pandora's Box" of selectivity bias and exaggeration.

**Table 6. Average Cost of Household Welfare Use in 2012, by Number of Children**

Program	Native Households							
	No Children		One Child		Two Children		Three or More Children	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	2,620	123	6,115	373	7,512	512	15,461	1,054
Cash	452	34	631	83	584	94	874	137
SSI	436	33	472	70	420	79	554	100
TANF	16	5	159	35	165	45	320	82
Food	245	16	1,082	72	1,463	103	3,395	247
School Lunch	3	1	94	6	178	11	513	31
WIC	3	1	66	9	87	12	192	24
SNAP	240	16	922	67	1,199	95	2,689	218
Medicaid	1,632	81	3,849	274	4,912	336	10,271	733
Housing	291	23	554	83	552	96	921	161
Sample Size	15,838		2,706		2,238		1,295	
Weighted n (millions)	72.59		13.94		11.51		6.57	
Percentage	69.4%		13.3%		11.0%		6.3%	
Program	Immigrant Households							
	No Children		One Child		Two Children		Three or More Children	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	4,145	396	5,490	678	7,467	1,014	14,540	1,482
Cash	820	139	397	128	538	186	723	214
SSI	796	141	339	120	362	139	355	158
TANF	23	15	58	33	175	84	368	145
Food	374	51	910	140	1,557	236	3,717	352
School Lunch	5	2	151	17	303	27	794	40
WIC	6	3	88	26	157	30	307	43
SNAP	363	50	671	128	1,098	209	2,616	332
Medicaid	2,528	255	3,732	496	5,065	710	9,807	1,150
Housing	423	74	451	147	308	125	292	160
Sample Size	1,672		500		445		363	
Weighted n (millions)	8.63		2.99		2.47		2.07	
Percentage	53.4%		18.5%		15.3%		12.8%	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data.

Households are classified by the nativity of the household head.

Child status is determined by the January interview. Some children occasionally enter the household after January, which explains why non-child households have non-zero costs for school lunch and WIC.

C.I. = confidence interval.

Table A6 contains more detailed data.

For example, consider the reaction to the Heritage Foundation’s estimate that illegal immigration and amnesty would generate a direct lifetime cost of \$6.3 trillion. Supporters of amnesty quickly settled on a rebuttal point: Although illegal immigrants who receive amnesty may pay as a group \$6.3 trillion less in taxes than they receive in benefits over their lifetimes, their labor boosts economic productivity so much that natives probably still end up in the black.<sup>12</sup> That claim is, first of all, a tremendous exaggeration. Most of the gains from immigration go to immigrants themselves, not to natives.<sup>13</sup> In a paper for CIS back in 2013, economist George Borjas estimated that illegal immigrants increased GDP by \$395 billion to \$472 billion. Of that amount, however, only about \$9 billion went to natives.<sup>14</sup> After extending that \$9 billion annually over an adult lifetime of 50 years, productivity gains would add back just 7 percent of the \$6.3 trillion fiscal cost.

Furthermore, an increase in productivity is just one of many indirect fiscal effects of immigration. What is the cost of additional welfare spending on natives when they are displaced from jobs or see their wages lowered by immigrant competition?<sup>15</sup> What are the moving and commuting costs incurred by natives who flee overcrowding? What are the costs of less social trust and cooperation identified by Robert Putnam and others?<sup>16</sup> How about the increase in English-language learners in public schools? One could go on and on with costs and benefits of immigration that *indirectly* impact the government’s fiscal situation. But once advocates enter the world of indirect effects, they become decidedly selective with the effects they wish to include.

## Conclusion

When researchers analyze welfare participation and costs, their dataset of choice has traditionally been the Annual Social and Economic Supplement (ASEC) of the Current Population Survey. While the ASEC is certainly useful — CIS uses it frequently — it substantially undercounts welfare participation. For that reason, CIS turned to the Survey of Income and Program Participation (SIPP), a more complex dataset developed by the Census Bureau specifically to analyze welfare use. CIS’s analysis of the SIPP has now generated two major studies. The first study, published in September 2015, measured welfare participation rates. It showed that 51

**Table 7. Average Cost of Household Welfare Use in 2012, by Race**

Program	Native Households							
	Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	8,375	646	10,073	655	2,957	136	3,183	1,237
Cash	1,010	154	1,231	141	333	24	467	308
SSI	798	136	1,030	123	303	24	464	308
TANF	212	60	201	42	30	5	3	3
Food	1,392	127	1,702	120	433	24	178	65
School Lunch	197	17	151	11	37	2	54	22
WIC	77	13	68	10	21	2	3	3
SNAP	1,117	114	1,483	111	375	22	121	57
Medicaid	5,072	435	5,863	429	2,007	100	2,373	944
Housing	901	161	1,276	118	185	17	165	137
Sample Size	1,217		2,714		17,322		176	
Weighted n (millions)	8.05		13.40		78.96		1.03	
Percentage	7.7%		12.8%		75.5%		1.0%	
Program	Immigrant Households							
	Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	7,863	692	6,470	1,556	4,564	615	4,764	691
Cash	756	175	464	183	549	131	804	146
SSI	575	172	441	180	503	122	788	144
TANF	181	56	24	21	46	24	16	13
Food	1,632	160	1,034	245	571	104	579	149
School Lunch	317	23	110	26	72	12	50	12
WIC	148	19	57	22	29	9	26	12
SNAP	1,167	138	867	227	470	94	504	144
Medicaid	5,163	472	4,378	1,120	2,959	394	3,019	446
Housing	312	72	593	278	485	120	362	109
Sample Size	1,157		272		867		626	
Weighted n (millions)	7.08		1.54		4.06		3.20	
Percentage	43.8%		9.5%		25.1%		19.8%	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data.  
 Households are classified by the nativity of the household head.  
 C.I. = confidence interval.  
 The Black, White, and Asian columns exclude Hispanics. “Other” race not shown.  
 Table A6 and Table A7 contain more detailed data.



**Table 8. Immigrant Household Welfare Use Minus Native Household Welfare Use**

Regression	Controls	Cost Difference	90 % C.I. (±)
1	None	1,803	446
2	Household worker	2,323	435
3	Household worker Number of children	1,196	401
4	Household worker Number of children Education of head	309	427
5	Household worker Number of children Education of head Race of head	-626	472
Sample Size	25,057		
Weighted n (millions)	120.8		

**Source:** Source: Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. A positive value means that immigrants cost more than comparable natives. A negative value means immigrants cost less. Households are classified by the nativity of the household head. C.I. = confidence interval.

**Table 9. Average Cost of Households Currently Using Given Welfare Program**

Program	Native Households		Immigrant Households	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	14,954	373	12,217	677
Cash	6,266	238	6,545	555
SSI	6,274	253	6,561	597
TANF	4,070	310	4,637	777
Food	3,190	98	2,686	176
School Lunch	535	16	597	21
WIC	755	31	751	38
SNAP	3,886	103	4,023	254
Medicaid	12,419	353	9,793	493
Housing	6,672	214	6,604	535

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Unlike every other table in this study, the costs shown here are averaged over only the households that are using the welfare program in question. In other words, no zeroes are included in the averages. Sample sizes vary depending on the program. Households are classified by the nativity of the household head. C.I. = confidence interval.

percent of immigrant-headed households used some form of welfare, compared to 30 percent of native households.<sup>17</sup> This second study extends the SIPP analysis by moving from rates to *costs*. It finds that immigrant-headed households consume an average of \$6,234 in welfare spending, compared to \$4,431 for native households. The highest-cost immigrant households tend to be those headed by a person from Latin America, while the lowest-cost households are headed by people from Europe and Asia.

This study implies that two competing narratives about immigration are *both* true. Immigrants do indeed have a strong attachment to the labor force, as immigration advocates often point out. At the same time, however, immigrants consume a large amount of welfare spending, just as critics claim. The reason that both narratives are true is that the American welfare system has become increasingly focused on buttressing low-wage workers rather than supporting non-workers. Put more simply, welfare and low-wage work go together. Just as natives with low levels of education and large numbers of children are apt to consume welfare, immigrants with those same characteristics are also likely to be on welfare. A strong work ethic does not change this reality.

In order to reduce the cost of immigrant welfare use, either the welfare system or the immigration system must change. The former option is sometimes described as “building a wall around the welfare state” to prevent new immigrants from accessing it. It is easier said than done. Loopholes and exceptions have weakened previous attempts to limit immigrant access to welfare.<sup>18</sup> More importantly, Congress has no power to prevent the U.S.-born children of immigrants from using the same welfare programs that the children of natives do. No matter how strong the “wall around the welfare state” is built, it cannot stop immigrant parents from signing up their U.S.-born children for Medicaid, SNAP, free school lunch, etc., as long as native parents can do the same.

Only a full-scale rollback of the welfare state for both immigrants and natives would prevent immigrant families from consuming welfare dollars. Whatever one thinks of that proposal, it is not a policy change likely to occur in the near future.<sup>19</sup> In fact, importing new clients of the welfare state likely makes it even harder to roll back.<sup>20</sup> As long as the U.S. continues to admit large numbers of low-skill immigrants (legal or illegal), then immigrant welfare consumption will remain high.

# Appendix

To determine which households use which welfare programs in the SIPP, this study follows almost the exact methodology of the previous CIS report, “Welfare Use by Immigrant and Native Households”. The one exception is that the aggregate Cash category now refers exclusively to SSI and TANF. In the previous study, Cash also included several miscellaneous programs such as state general assistance, veterans’ compensation, and, in the cryptic words of the SIPP documentation, “other welfare”.<sup>21</sup> Because these smaller programs are too vaguely defined to locate in budget documents, the Cash category is now limited to the two largest cash assistance programs, SSI and TANF.

The contribution of this study is to estimate the dollar costs associated with the welfare use rates previously reported. That process involves two major steps. First, some program costs in the SIPP must be imputed because they are not measured directly in the survey. Second, due to measurement error in the survey responses and imputations, the SIPP costs must be adjusted to reflect the full cost of each welfare program as reported in the government’s budget.

**Program Costs in the SIPP.** The SIPP provides direct cost estimates for some but not all of the welfare programs for which it measures participation. Determining the annual household cost of SSI, TANF, WIC, and food stamps is simply a matter of summing the monthly values of the variables provided in the SIPP.<sup>22</sup> However, the cost of free or reduced school lunch, Medicaid, and subsidized housing (the “cost-unknown programs”) must be imputed separately.

Recall that the ASEC substantially undercounts program participation, making it suboptimal for a welfare analysis. However, the ASEC does provide direct cost estimates for the cost-unknown programs using imputation procedures developed by the Census Bureau. The approach of this study is to apply the same imputation to the SIPP’s cost-unknown programs as the Census Bureau uses with the ASEC. The aim is to produce a “best of both worlds” dataset that combines the more accurate participation rates of the SIPP with the more complete cost estimates of the ASEC. Table A1 outlines the process.

**Table A1. Cost Calculation Methods by Program**

Program	Source
Any Welfare	Sum of cash, food, Medicaid, and housing listed below
Cash	Sum of SSI and TANF
SSI	Directly measured in the SIPP
TANF	Directly measured in the SIPP
Food	Sum of school lunch, WIC, and SNAP
School Lunch	Annual cost of both free and reduced lunch derived from ASEC
WIC	Directly measured in the SIPP
SNAP	Directly measured in the SIPP
Medicaid	Average cost by age, disability status, and state; derived from ASEC
Housing	Average cost by region, income, and size; derived from ASEC
Public	Not individually calculated
Subsidized	Not individually calculated

SIPP = Survey of Income and Program Participation.  
 ASEC = Annual Social and Economic Supplement to the Current Population Survey.

For its ASEC estimates, the Census Bureau determined that the average annual cost of free lunch for one child in 2012 was \$507, while the annual cost of reduced lunch was \$440. The SIPP distinguishes between free and reduced lunch receipt at the household level, so determining the *monthly* cost in the SIPP — remember that the SIPP measures welfare use by month — is simply a matter of dividing either \$507 or \$440 by 12, then multiplying by the number of eligible children in the household each month. The resulting monthly estimates are summed to produce an annual household cost.

Medicaid is more complicated. The Bureau identifies four “risk classes” — children (below age 21), non-elderly adults, seniors (age 65 and over), and the disabled.<sup>23</sup> It then assigns each class an average cost by state. That generates 4\*50 = 200 unique cost estimates. In addition, Medicaid pays the cost of Medicare premiums for people enrolled in both programs. The Bureau adds the annual Medicare premium, which was \$1,199 in 2012, to the total cost of Medicaid for dual enrollees.<sup>24</sup> To perform the imputation in the SIPP, the full matrix of cost estimates was generated in the ASEC, then merged into the SIPP using the same identifying variables of age, disability status, state, and Medicare coverage.<sup>25</sup> As with school lunch, the annual ASEC cost estimates are divided by 12 to produce monthly SIPP costs, then summed to produce an annual figure.

The original CIS welfare study separately classified public housing and subsidized rent, but the ASEC collapses the cost of housing assistance into one category. The ASEC imputation is based on three groups of family income (below \$6,000, be-

tween \$6,000 and \$10,000, more than \$10,000), three bedroom counts (one, two, three or more), and four regions (Northeast, Midwest, South, West).<sup>26</sup> Generating reliable bedroom counts is too difficult with the SIPP, so this study uses the number of people in the household (one, two, three or more). After generating the full matrix of cost estimates at the household level in the ASEC — based on region, household income, and the number of people — the costs are merged into the SIPP using those same three household characteristics. Unlike school lunch and Medicaid, housing costs in the ASEC are provided as a monthly cost, meaning no division by 12 is required when transferred to the SIPP.

**Adjustment to Reflect Budgetary Costs.** After all the welfare costs in the SIPP are established, the next step is to adjust those costs to reflect the real budgetary totals. Table A2 compares the total costs reported (or imputed) in the SIPP with the total costs listed in the federal government’s budgetary records. For consistency with the SIPP, the budgetary numbers collected here generally reflect the cost of actual benefits, not administrative costs. In addition, the cost of nursing home care is excluded from the Medicaid budget, since the SIPP does not cover the institutionalized population.

Some minor inconsistencies are unavoidable. For example, the budgetary cost of housing refers only to federal programs, although state and local programs are a small part of the housing cost measured in the SIPP. Tracking down the cost of every non-federal housing program would be infeasible. In addition, most budgetary figures are available only for the “fiscal year,” which runs from October through September, whereas the SIPP covers the “calendar year” of January through December.<sup>27</sup> This means that the SIPP time period includes nine months of FY 2012 (January through September) and three months of FY 2013 (October through December). To correct for the misalignment, this study’s budgetary costs for the 2012 calendar year are calculated as a weighted average of fiscal-year costs:  $(9/12) \times (\text{FY 2012}) + (3/12) \times (\text{FY 2013})$ .

There are several reasons why the total cost of a given program in survey data does not match the total budgetary cost of the program. First, the cost of direct transfers such as TANF, WIC, and food stamps are typically underreported in surveys. Second, the cost imputations of school lunch, Medicaid, and housing are inherently inexact. Third, the budgetary figures may not refer to the exact same costs measured in the survey, as is the case with housing.

Costs are generally undercounted in the SIPP, but the discrepancies vary considerably from program to program, and SSI and school lunch are actually overestimated.<sup>28</sup> These discrepancies may seem like a threat to the study’s validity. Remember, however, that the SIPP cost estimates are merely a tool for dividing up the real *budgetary* costs between immigrants and natives. As noted in the main text, the assumption here is not that immigrants cost exactly what is reported in the SIPP; rather, it is that the fraction of costs attributed to immigrants in the SIPP is the same as the fraction of the real budgetary costs consumed by immigrants. Any bias in the SIPP data unrelated to immigration status — for example, if both immigrants and natives underreport their TANF income by the same percentage — is irrelevant once the costs are adjusted to reflect budgetary totals.

Table 1 demonstrates that the SIPP helps correct the ASEC’s bias toward undercounting immigrant welfare participation vis-à-vis native participation. As long as the reported and imputed costs of that participation in the SIPP are reasonably unbiased *with respect to immigration status*, then the final adjusted cost estimates will be good approximations of the true budgetary numbers.

The adjustment procedure is simple. The cost of each SIPP household’s participation in a given program is multiplied by an adjustment factor, which is the ratio of total budgetary spending on the program to the total spending on the same program reported in the SIPP. For example, the SNAP adjustment factor is \$75.0 billion / \$56.5 billion = 1.33. In other words, the total budgetary cost of SNAP is 1.33 times (or 33 percent) higher than the total SNAP cost in the SIPP. The cost of each SIPP household’s SNAP usage is multiplied by 1.33 to bring the total SIPP costs up to the budgetary level. This is mathematically equivalent to calculating the portion of SNAP costs attributed to immigrants or natives in the SIPP, then multiplying that percentage by the total budgetary cost of SNAP.

**Table A2. Adjustment Factors for Program Costs in 2012**

Program	SIPP Cost (billions)	Budgetary Cost (billions)	Adjustment Factor
SSI	60.5	56.2	0.93
TANF	5.6	8.9	1.60
School Lunch	12.6	9.8	0.78
WIC	3.7	4.7	1.26
SNAP	56.5	75.0	1.33
Medicaid	251.0	361.9	1.44
Housing	17.3	47.6	2.75

SIPP = Survey of Income and Program Participation.  
 Adjustment Factor is the ratio of budgetary cost to SIPP cost.  
 Budgetary costs are modified. See text for details.

Supplemental Tables

Table A3. Average Cost of Household Welfare Use in 2012, by Age

Program	Native Households									
	29 and Under		30-39		40-49		50-64		65 and Over	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	5,704	460	6,617	459	4,780	326	4,192	245	2,309	155
Cash	352	60	517	72	563	68	686	57	328	39
SSI	212	50	367	58	491	63	646	57	308	38
TANF	140	36	151	34	71	17	40	8	20	7
Food	1,472	125	1,350	89	692	55	427	34	202	16
School Lunch	86	11	182	12	86	7	27	3	9	1
WIC	125	15	68	7	25	4	9	2	2	1
SNAP	1,262	113	1,100	79	581	51	391	32	191	16
Medicaid	3,183	295	4,244	329	3,169	229	2,766	172	1,462	108
Housing	697	113	505	78	356	48	313	40	317	35
Sample Size	1,645		3,216		3,839		7,014		6,363	
Weighted n (millions)	10.89		17.59		19.65		32.21		24.26	
	Immigrant Households									
Program	29 and Under		30-39		40-49		50-64		65 and Over	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	4,003	865	7,152	889	5,856	696	6,105	720	7,026	986
Cash	102	76	419	124	458	126	844	162	1,519	414
SSI	37	31	252	105	342	110	791	168	1,465	393
TANF	66	62	167	74	116	60	53	30	53	40
Food	1,084	270	1,740	218	1,123	174	768	114	605	91
School Lunch	134	29	338	34	234	20	91	14	27	14
WIC	223	63	160	22	70	19	32	10	8	5
SNAP	726	230	1,243	192	819	160	645	107	571	85
Medicaid	2,666	637	4,793	624	3,923	475	4,068	508	4,082	584
Housing	151	157	200	94	352	114	425	132	820	171
Sample Size	184		570		771		864		591	
Weighted n (millions)	1.36		3.57		4.51		4.19		2.53	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head. C.I. = confidence interval.



**Table A4. Average Cost of Immigrant Welfare Use, by Household Head's Length of Residence in U.S.**

Program	Immigrants' Residence in U.S. (years)									
	Less than 5		5-10		11-15		16-25		More than 25	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	7,537	2,884	5,576	723	6,537	853	6,601	1,009	6,225	691
Cash	766	534	573	154	798	303	532	168	766	147
SSI	676	535	531	152	644	283	408	139	673	141
TANF	90	121	42	27	154	87	125	80	93	45
Food	1,152	467	1,033	156	1,264	196	1,370	290	851	132
School Lunch	162	77	161	22	206	29	262	40	148	21
WIC	137	77	101	19	101	25	97	33	50	12
SNAP	852	403	770	140	957	169	1,010	262	653	119
Medicaid	4,997	2,038	3,560	474	4,094	533	4,243	681	4,238	496
Housing	622	546	410	120	381	109	455	189	370	79
Sample Size	77		634		530		378		1,170	
Weighted n (millions)	0.41		3.61		3.06		2.13		5.92	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data.

Households are classified by the nativity of the household head.

C.I. = confidence interval.

Some immigrants are missing because the relevant SIPP question was asked as part of a one-time module.

**Table A5. Average Cost of Welfare Use in 2012 in Households with a Worker, by Education**

Program	Native Working Households							
	Less Than High School		High School		Some College		College Degree Or More	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	10,185	1,180	4,882	326	3,446	202	920	112
Cash	1,006	203	450	57	296	38	85	23
SSI	870	191	374	53	256	39	79	22
TANF	136	83	76	21	40	12	6	4
Food	1,940	226	943	80	649	46	131	20
School Lunch	216	24	100	9	83	6	20	3
WIC	76	17	54	8	38	4	12	3
SNAP	1,649	201	789	72	528	43	99	18
Medicaid	6,574	795	3,178	232	2,305	153	672	91
Housing	665	194	311	50	196	31	31	9
Sample Size	852		3,497		5,668		5,355	
Weighted n (millions)	3.79		16.99		28.98		26.99	
	Immigrant Working Households							
Program	Less Than High School		High School		Some College		College Degree Or More	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	9,072	865	6,895	699	4,565	836	1,899	362
Cash	666	127	581	148	469	301	201	83
SSI	533	116	428	145	456	299	188	81
TANF	133	56	153	72	13	17	13	13
Food	1,964	220	1,405	183	706	165	288	92
School Lunch	381	31	258	27	136	26	52	8
WIC	181	29	107	28	79	20	21	9
SNAP	1,401	198	1,040	162	490	148	215	86
Medicaid	6,186	678	4,563	518	3,231	576	1,310	256
Housing	256	105	346	121	159	91	101	56
Sample Size	585		560		508		774	
Weighted n (millions)	3.18		3.25		2.95		4.26	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data.  
 Households are classified by the nativity of the household head.  
 C.I. = confidence interval.  
 Worker status is determined by the January interview.

**Table A6. Average Cost of Welfare Use  
in 2012 in Households with Children, by Race**

Program	Native Households with Children									
	All		Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	8,536	357	11,216	1,152	18,256	1,285	5,704	369	5,679	3,325
Cash	664	54	975	216	1,672	227	368	45	689	681
SSI	470	46	607	184	1,187	187	281	41	684	679
TANF	194	26	368	101	485	112	87	19	5	9
Food	1,694	76	2,315	236	3,676	273	1,125	77	322	170
School Lunch	210	10	392	29	400	28	130	9	159	59
WIC	100	7	148	25	174	24	73	7	8	9
SNAP	1,384	69	1,775	215	3,102	255	922	69	155	143
Medicaid	5,549	258	6,886	779	10,951	873	3,977	278	4,667	2,633
Housing	629	63	1,041	249	1,956	266	234	41	0	0
Sample Size	6,239		601		888		4,493		61	
Weighted n (millions)	32.01		3.93		4.93		21.69		0.35	
Program	Immigrant Households with Children									
	All		Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	8,626	688	10,233	908	9,223	2,583	6,855	1,436	4,837	1,270
Cash	533	98	608	131	228	157	407	205	461	219
SSI	351	81	342	107	179	121	290	162	419	212
TANF	182	53	267	89	49	52	117	67	42	33
Food	1,894	156	2,454	242	1,818	460	1,203	279	914	328
School Lunch	378	21	528	32	260	58	217	33	127	27
WIC	171	17	242	28	126	49	85	26	58	29
SNAP	1,345	141	1,683	215	1,431	428	901	254	729	306
Medicaid	5,839	485	6,880	664	6,405	1,931	4,675	914	3,327	833
Housing	360	93	291	112	772	474	570	307	136	91
Sample Size	1,308		660		108		276		232	
Weighted n (millions)	7.53		4.20		0.63		1.32		1.23	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head.

C.I. = confidence interval.

The Black, White, and Asian columns exclude Hispanics. "Other" race not shown.

Child status is determined by the January interview.

**Table A7. Average Cost of Welfare Use  
in 2012 in Households in Poverty, by Race**

Program	Native Households in Poverty									
	All		Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	14,368	591	19,944	1,873	20,809	1,592	10,556	688	11,681	5,077
Cash	1,301	107	1,874	436	1,974	284	867	99	684	823
SSI	989	90	1,221	330	1,461	222	721	94	684	823
TANF	312	52	653	301	513	133	146	38	0	0
Food	2,855	136	4,182	451	4,070	323	2,105	160	673	492
School Lunch	209	14	434	60	302	30	130	13	90	59
WIC	110	11	181	40	150	30	81	13	0	0
SNAP	2,536	124	3,568	411	3,618	294	1,893	147	582	496
Medicaid	8,318	407	10,852	1,172	11,182	1,041	6,590	502	9,159	3,954
Housing	1,895	149	3,036	672	3,582	381	994	127	1,166	1,213
Sample Size	2,932		260		694		1,813		18	
Weighted n (millions)	14.37		1.58		3.50		8.52		0.10	
Program	Immigrant Households in Poverty									
	All		Hispanic		Black		White		Asian	
	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)	Cost	90 % C.I. (±)
Any Welfare	13,086	1,230	13,386	1,143	13,796	6,102	12,441	2,422	12,329	3,800
Cash	988	193	818	213	636	440	1,316	523	1,629	703
SSI	683	162	367	158	571	424	1,123	473	1,615	702
TANF	305	116	451	190	65	90	193	153	13	21
Food	2,870	285	3,438	389	2,435	887	1,956	493	2,041	718
School Lunch	372	31	537	46	208	71	136	47	90	42
WIC	183	31	268	47	91	54	64	34	50	36
SNAP	2,314	261	2,633	353	2,136	829	1,755	454	1,902	688
Medicaid	8,077	806	8,448	810	9,192	4,250	6,924	1,419	7,158	2,408
Housing	1,152	224	682	247	1,534	1,121	2,246	570	1,501	621
Sample Size	612		322		52		133		95	
Weighted n (millions)	3.33		1.94		0.30		0.60		0.44	

**Source:** Survey of Income and Program Participation covering calendar year 2012, along with federal budget data. Households are classified by the nativity of the household head.

C.I. = confidence interval.

The Black, White, and Asian columns exclude Hispanics. "Other" race not shown.

Poverty status is determined by the January interview.



# End Notes

<sup>1</sup> Steven A. Camarota, [“Welfare Use by Immigrant and Native Households”](#), Center for Immigration Studies *Background*, September 2015.

<sup>2</sup> National Research Council, [The New Americans](#), Washington, D.C.: National Academy Press, 1997, p. 308.

<sup>3</sup> The Heritage Foundation’s 2013 fiscal analysis makes the same assumption. Robert Rector and Jason Richwine, [“The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer”](#), Heritage Foundation Special Report, May 6, 2013, p. 47.

<sup>4</sup> Here is a list of the countries grouped under the region categories in Figure 2. **Central America:** Belize, Mexico, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama. **Caribbean:** Barbados, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Trinidad and Tobago, West Indies. **South America:** Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Peru, Uruguay, Venezuela. **Europe:** Austria, Belgium, France, Germany, Ireland, Holland/Netherlands, Norway, Sweden, Switzerland, United Kingdom, Albania, Bulgaria, Greece, Hungary, Italy, Poland, Portugal, Romania, Spain, Czech Republic, Bosnia and Herzegovina, Croatia, Lithuania, Belarus, Russia, Ukraine, USSR. **East Asia:** China, Hong Kong, Japan, Korea, South Korea, Taiwan. **South Asia:** Afghanistan, Bangladesh, India, Iran, Nepal, Pakistan, Sri Lanka, Uzbekistan. **Africa:** Egypt, Equatorial Guinea, Ethiopia, Eritrea, Ghana, Kenya, Liberia, Morocco, Nigeria, Sierra Leone, Somalia, South Africa, Sudan.

<sup>5</sup> Steven A. Camarota, [“Welfare Use by Legal and Illegal Immigrant Households”](#), Center for Immigration Studies *Background*, September 2015, pp. 2-3.

<sup>6</sup> Camarota, [“Welfare Use by Immigrant and Native Households”](#), Appendix.

<sup>7</sup> See, for example, Shikha Dalmia, [“Heritage’s Updated Study on the Welfare Costs of Immigrants: Garbage In, Garbage Out”](#), *Reason*, May 7, 2013.

<sup>8</sup> Camarota, “Welfare Use by Immigrant and Native Households”, Appendix.

<sup>9</sup> *Ibid.*, pp. 22-23.

<sup>10</sup> National Research Council, *The New Americans*, pp. 284-289. The \$2,200 figure refers to California, which the authors describe as likely to be an upper bound estimate.

<sup>11</sup> Rector and Richwine, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer”, Table 6. Both types of households are in deficit because the government spends more than it takes in.

<sup>12</sup> See, for example, Will Wilkinson, [“Welfare and Amnesty”](#), *The Economist*, May 8, 2013.

<sup>13</sup> The mistaken belief that immigration generates large indirect fiscal benefits seems to stem from confusing GDP growth with gains for natives. The latter is just a tiny proportion of the former. For a more in-depth discussion, see Jason Richwine, [“Most of the Gains from Immigration Go to Immigrants Themselves – Not to Natives”](#), Center for Immigration Studies, February 10, 2016.

<sup>14</sup> George Borjas, [“Immigration and the American Worker”](#), Center for Immigration Studies *Background*, April 2013.

<sup>15</sup> See, for example, George J. Borjas, Jeffrey Grogger, and Gordon H. Hanson, [“Immigration and the Economic Status of African-American Men”](#), *Economica*, Vol. 73 (2010), pp. 255-282.

<sup>16</sup> Robert D. Putnam, “*E Pluribus Unum: Diversity and Community in the Twenty-first Century*”, *Scandinavian Political Studies*, Vol. 30, No. 2 (June 2007), pp. 137-174.

<sup>17</sup> Camarota, “Welfare Use by Immigrant and Native Households”.

<sup>18</sup> *Ibid.*, Appendix.

<sup>19</sup> Means-tested anti-poverty spending has trended ineluctably upward. Even the famous “cuts” in 1981 and 1996 were just minor speed bumps on the road to higher spending. See Jason Richwine, [“Crying Wolf Over Spending Cuts”](#), The Richwine Archive, January 18, 2014.

<sup>20</sup> [“How Mass \(Legal\) Immigration Dooms a Conservative Republican Party”](#), Eagle Forum, first published January 2014.

<sup>21</sup> Personal communication with Shelley Irving at the Census Bureau.

<sup>22</sup> One reported value for annual SSI receipt is an implausibly high \$69,934. It appears to be a mis-code, as the next-highest value is just \$37,281. The implausible value has been top-coded to \$37,281 for this study.

<sup>23</sup> A disabled person in the ASEC is under age 65 and has at least one of the following additional characteristics: SSI income, Social Security income, or not working due to illness.

<sup>24</sup> Personal communication with Jessica Semega at the Census Bureau.

<sup>25</sup> Unfortunately, the SIPP does not identify Medicare recipients who are under 15 years old, even though children with kidney disease could be on the program. Therefore, the cost of Medicaid never includes an additional \$1,199 Medicare premium for respondents under 15 in this study.

<sup>26</sup> Paul D. Johnson, Trudi Renwick, and Kathleen Short, [“Estimating The Value of Federal Housing Assistance for the Supplemental Poverty Measure”](#), U.S. Census Bureau Working Paper, December 2010, pp. 6-7.

<sup>27</sup> The SIPP panel used in this study started in 2008, so it is possible to calculate SIPP welfare costs over the fiscal-year period of October 2011 to September 2012 rather than over the calendar-year period. The trouble is that the Census Bureau provides longitudinal weights only for calendar years. Without those weights, the SIPP would be unrepresentative of the general population.

<sup>28</sup> One reason SSI is overestimated in the SIPP may be that respondents confuse it with disability insurance (DI) payments. Both SSI and DI are administered by the Social Security Administration, but DI is a social insurance program open only to workers who pay into the system, while SSI is a means-tested transfer payment.