President Clinton last month signed legislation that overhauls the nation’s welfare system and dramatically curtails most non-citizens’ access to the major means-tested federal assistance programs. In announcing his decision to sign the bill, known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Clinton declared that it represented “an historic chance to make welfare what it was meant to be: a second chance, not a way of life.” But he criticized the new law for “hurt[ing] legal immigrants” and vowed to propose legislation that would amend some of its more restrictive provisions. In the interim, he directed Agriculture Secretary Dan Glickman to give states the maximum time allowed by law to ensure that immigrants eligible for food stamps continue to receive them, and he ordered Attorney General Janet Reno to make every effort to reduce bureaucratic delay for legal immigrants applying for citizenship.

The legislation ends a sixty-year guarantee of federal financial relief for the poor and instead provides states with block grants to distribute aid to needy residents. Current legal permanent residents (LPRs) will be barred from receiving Supplemental Security Income (SSI) and food stamps; future LPRs will, in addition, be barred from most other forms of federal assistance.

The new legislation is expected to have a dramatic effect. While LPRs are a small minority of the nation’s welfare recipients, denying them federal assistance is expected to account for 44 percent of the $56 billion in federal funds the law is projected to save over the next six years.

The debate that preceded passage of the bill reflected widespread public disapproval of immigrant welfare use. A number of key concerns were raised during the debate, with ramifications for both welfare and immigration policy. Chief among them was the concern that immigrants are using welfare disproportionately. Other concerns were that welfare use among immigrants is accelerating; that certain ethnic groups with large and growing immigrant flows are more heavily represented on the welfare rolls than others; that assistance programs are acting as a magnet for potential immigrants; and that welfare may be producing some of the same undesirable social and behavioral traits among immigrants that critics have argued it produces in the native-born population.

This article sets out to do three things: first, to examine what social science research says about immigrant use of public assistance; second, to elucidate the basis for the strikingly different conclusions that have been reached; and third, to see whether some general propositions can be developed that may be of use to policymakers. But first, a bit of background.

A Clash of Ideals

Concern that immigrants will end up as a public burden dates back to the colonial era. In the 17th Century, Pilgrims in Massachusetts fined shipmasters who discharged paupers. From 1875 to 1924, when immigration reached a high-water mark in U.S. history, a succession of laws excluded criminals, prostitutes, the physically and mentally ill, and those likely to become public charges. Since 1952, prospective immigrants have been inadmissible if they are deemed likely to require public assistance. In recent years, about 10 percent of visa applicants have been denied admission to the U.S. under this rule.

Critics of earlier policies raised a variety of concerns about immigrant use of public assistance. They argued that those policies swelled the welfare rolls and impeded the nation’s efforts to decrease its own poverty levels. They were concerned about the
Editor’s Note

Last month’s enactment of the welfare bill highlights the political importance of immigrant use of public assistance, the topic of this inaugural issue of Research Perspectives on Migration.

The bill dramatically curtails most non-citizens’ access to the major welfare programs. Criticized even by the President for denying immigrants access to a necessary safety net, the bill nevertheless won broad support in Congress as a way of reducing public assistance costs and ensuring immigrant self-sufficiency.

Its effects, whether for good or ill, are a matter of considerable controversy, but both detractors and supporters of the new law agree that its immigrant provisions are unprecedented in scope, collectively redefining what it means to be a member of U.S. society.

In this issue, we take a hard look at welfare use among immigrants. Careful researchers have arrived at strikingly different conclusions on the subject; absent a scholarly consensus, policymakers have lacked an important element in their decision-making process. By presenting the available research in a balanced and even-handed manner, to enhance public understanding of migration, and to contribute constructively to today’s ongoing policy debates.

It is the founding premise of RPM that a careful appraisal of the evidence can inform public dialog and guide in the formulation of policies that effectively promote the national interest. Conversely, policy reforms that are based on faulty or incomplete assessments of the data or harnessed to opinionated perceptions of immigration — whether negative or rose-tinted — may not only harm newcomers, but the nation as a whole.
Executive Summary

- Working-age immigrants who are not refugees participate in both cash and non-cash assistance programs at rates similar to working-age natives.

- Immigrants with incomes below the poverty line are less likely to participate in cash assistance than the native-born with incomes below the poverty line. About 16 percent of poor immigrants use cash programs, compared to 25 percent of poor natives.

- However, immigrants are also more likely to be poor than the native-born. About 15 percent of U.S. citizens fall below the poverty line, whereas 29 percent of non-citizens do so. And about six percent of citizens have incomes below 50 percent of the poverty line, compared to 11 percent of non-citizens.

- Approximately 1.4 million immigrants receive AFDC or SSI payments totaling $4.5 billion annually. Their average monthly AFDC payment is $133; their average SSI payment is $407. Estimates using a more broadly defined package of benefits and counting benefits from state and local as well as federal sources indicate that immigrants receive approximately $25 billion annually in assistance benefits.

- Refugees and elderly immigrants are more likely to receive cash and non-cash assistance than other immigrants. Five percent of AFDC recipients are immigrants, whereas 18.9 percent of elderly SSI recipients are immigrants.

- Overall immigrant use of welfare has been rising, regardless of how “immigrant” and “welfare” are defined.

- Immigrant use of welfare appears to correlate with national origin.

- There is no reputable evidence that prospective immigrants are drawn to the United States because of its public assistance programs.

- Most researchers believe that few undocumented immigrants illegally use public assistance programs. However, the data are scarce, and firm conclusions cannot be drawn.

Historically, public policy regarding immigrant welfare use reflected a tension between two impulses: on the one hand, to prevent immigrants from becoming dependent on the public purse, and, on the other, to provide a safety net to those in need. In general, the laws in place prior to the enactment of the recent welfare bill reflected this tension. Undocumented immigrants were denied public assistance except for emergency medical care under Medicaid and some assistance under the Women, Infants, and Children (WIC) nutrition program. LPRs were usually ineligible for most forms of federal cash assistance during their first three years in the country because most were required to have a U.S. sponsor sign a pledge, or “affidavit of support,” guaranteeing that they would not become a public charge. The sponsor’s income was then “deemed” to be available to the immigrant in determining his or her eligibility for most welfare programs.
This “deeming” provision appeared to effectively deter immigrants from applying for welfare. The Congressional Budget Office (CBO) has calculated that only about four percent of immigrants who ever received SSI first applied to the program during their first, second, or third year of residence in the country; about 25 percent did so during their fourth, after the provision had lapsed. Other provisions regarding immigrant welfare use were apparently rarely enforced and in some instances were legally unenforceable. For instance, the law providing that immigrants be deported as public charges was rarely applied: only 12 people were deported under this provision from 1981 to 1990. The deterrent effect of other laws, such as those that made it more difficult for welfare users to bring their relatives into the country, have not, to our knowledge, been analyzed.

The Devil in the Details

Like the scarecrow in the Wizard of Oz, researchers who have compared immigrant and native-born rates of welfare use end up pointing all over the map. The Urban Institute (with which this newsletter is affiliated) reports that 5.1 percent of working-age, non-refugee immigrants use public assistance and that they are no more likely to be enrolled than the native-born; George Borjas and Lynette Hilton, researchers at Harvard and the Barents Group, respectively, have found that as many as 26.1 percent of immigrant households use welfare and that they are 150 percent as likely as natives to be enrolled.

These numbers vary by so much largely because researchers disagree about which programs to count as welfare and whom to classify as an immigrant. Researchers who have studied immigrant use of public assistance tend to focus on those programs that they believe the public particularly disfavors. Borjas and Hilton, for example, analyze immigrant participation rates in a wide range of cash and non-cash means-tested assistance programs, but exclude school lunches from their overall participation rates in part because these programs “do not have the same types of negative connotations as other welfare programs.”

Alternatively, Jennifer V.W. Van Hook and others at the University of Texas at Austin argue that “public dissatisfaction with welfare in this country derives primarily from the transfer of cash benefits to so-called able-bodied adults.” Accordingly, their work focuses on cash transfer programs.

Variations in immigrant participation in cash and non-cash programs are considerable. According to Borjas and Hilton, 10.8 percent of immigrant households use welfare if you count only cash assistance, but a startling 20.7 percent do so when you include non-cash assistance (but exclude school lunches). Furthermore, while cash program participation rates are slightly higher for immigrant than for native households — a finding Van Hook and her associates confirm — immigrant participation in non-cash programs outstrips the rate of native-born participation by over 50 percent.

Researchers disagree about which programs to count as welfare and whom to classify as an immigrant.

More Complications

If “welfare” is an imprecise term, used by different researchers to refer to different sets of programs, the term “immigrant” is inexact, and even opaque. When used as a modifier — as in “immigrant use of welfare” — the term has covered different, only partially overlapping, categories of people. Borjas and Hilton focus on households, and count any use of public assistance by anyone in the household against the status of the head of the household (or “householder”): “A household will be considered to be an immigrant household if the householder is an immigrant; otherwise the household will be considered to be a native household.”

Other analysts, such as Michael Fix at The Urban Institute, consider this faulty accounting. To understand why, consider the hypothetical case of Maria T., a maid born in Guatemala working at a large hotel chain, who (let us say) arrived here illegally in 1979, received legal status under the Immigration Reform and Control Act of 1986, married a disabled U.S. citizen, had a child, and herself became a citizen. If her U.S.-born
child were to be treated for an earache under Medicaid or her husband were to receive SSI disability, Borjas and Hilton would count this as immigrant welfare use — even though the actual recipient of the benefit is a native-born, U.S. citizen. Using the household as the unit of analysis tends to inflate immigrant participation rates, says Fix, because 67 percent of immigrant-headed households contain a native-born person and 52 percent contain a native-born child.

Re-analyzing the 1990 Survey of Income and Program Participation (SIPP), the same data source that Borjas and Hilton use, and counting U.S.-born children as “native,” Elaine Sorensen and Nikki Blasberg of The Urban Institute arrive at individual participation rates that are strikingly different from the household rates cited by Borjas and Hilton. Table 2 on page 10 They find that cash program participation rates are 6.6 percent for immigrants and 4.9 percent for the native-born, while for Medicaid, they find rates of 8.6 and 7.3 percent, respectively.

These numbers are still higher for immigrants than for the native-born, though statistically they fall within the margin of error for the sample size. However, The Urban Institute goes a step further in refining these categories. It shows that focusing on overall rates tends to mask the fact that a few immigrant groups make up a disproportionate share of immigrant welfare recipients. In particular, it finds high rates of welfare use on the part of refugees (see sidebar on page 12), and high rates of SSI and Medicaid use on the part of elderly immigrants. Indeed, while elderly immigrants use SSI and Medicaid at three times the rate of elderly natives, there are virtually no immigrant-native differences among working-age, non-refugee immigrants in any means-tested program. For example, immigrant participation in AFDC, a program generally targeted at young families, is statistically indistinguishable from the native-born participation rate.

A number of other studies lend further support to the conclusion that different ways of accounting for the U.S.-born children of immigrants make a decisive difference in comparing welfare participation rates, and that most remaining differences are a function of high SSI and Medicaid use among elderly immigrants. Using data derived from the 1990 Census and the March 1994 Current Population Survey, Van Hook and her associates conclude that the entire difference in immigrant-native household AFDC participation rates is attributable to “how nativity is assigned the children…. The household and family-level measures can be said to accurately reflect immigrant and native individual levels of receipt only if the children living in immigrant households are classified as immigrant regardless of birth.”

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**TABLE 1**
Description & Costs of Means Tested Programs in 1991

<table>
<thead>
<tr>
<th>Program Description</th>
<th>Annual Costs (Billions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH PROGRAMS</strong></td>
<td></td>
</tr>
<tr>
<td>AFDC (Aid to Families with Dependent Children): provides means-tested cash benefits to low-income single-parent households.</td>
<td>21.0</td>
</tr>
<tr>
<td>SSI (Supplemental Security Income): provides means-tested cash benefits to needy aged, blind, and disabled persons.</td>
<td>18.5</td>
</tr>
<tr>
<td>GA (General Assistance): means-tested cash benefits to for needy persons who do not qualify for one of the federally assisted programs.</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>NON-CASH PROGRAMS</strong></td>
<td></td>
</tr>
<tr>
<td>Medicaid: provides medical assistance for low-income persons who are aged, blind, disabled, members of families with dependent children, certain other pregnant women and children, and other qualified medically needy children.</td>
<td>94.5</td>
</tr>
<tr>
<td>WIC (Special Supplemental Food Program for Women, Infants &amp; Children): provides food, food vouchers, and nutritional screening to low-income pregnant and post-partum women and their infants, as well as children up to the age of 5 years.</td>
<td>2.3</td>
</tr>
<tr>
<td>Food Stamps: vouchers designed to increase the food purchasing power of eligible low-income households.</td>
<td>21.0</td>
</tr>
<tr>
<td>LIEA (Low-income Energy Assistance): helps low-income households meet their energy-related expenses.</td>
<td>1.6</td>
</tr>
<tr>
<td>HA (Housing Assistance): participating households can live in low-rent housing built by the government or live in private housing and receive government subsidies for their rent.</td>
<td>16.9</td>
</tr>
<tr>
<td>SLBP (School Lunch &amp; Breakfast Programs): distributes free or reduced price breakfasts and lunches to low-income children enrolled in school.</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Sources: U.S. House of Representatives [1993] and U.S. Bureau of the Census [1993]. The costs for each of the programs include the expenditures incurred at all levels of government (federal, state, and local). The costs of general assistance are for the 1990 fiscal year.
A 1995 Congressional Research Service (CRS) analysis of native and non-citizen poverty status and welfare use reached a similar conclusion: "In a number of welfare programs, AFDC, food stamps, and Medicaid, the foreign-born population is no more likely to participate than the native-born population." The CRS study also confirmed significantly higher incidence of SSI use among elderly immigrants than among the native-born.

The question of whether immigrants are using welfare disproportionately depends on what one considers disproportionate.

Several hypotheses have been advanced to explain why elderly immigrants use SSI more than the native-born. One is that some immigrants, already elderly when they arrive in the United States, simply think of SSI as a one of the normal benefits of immigration, "like a library card" — in one researcher’s evocative phrase. Another is that many elderly immigrants have not been employed for a sufficient period in jobs that contribute to social security and thus rely on SSI as an alternative income stream in retirement. And a third is that elderly immigrants are less likely than native-born to have medical insurance, and so use SSI as a bridge to Medicaid (qualification for SSI automatically qualifies one for Medicaid).

A Preliminary Evaluation

Despite the fact that so much hinges on how children of immigrants are classified, the reasons for choosing one definition over another are far from apparent. One could make a reasonable case either way. One could argue, for example, that welfare is helping the American-born child support the foreign-born parent — in other words, that welfare represents a fungible benefit for the parent. Congressional initiatives tend to take this tack. On the other hand, one could argue that the Constitution has settled the matter. The 14th Amendment states that children born in the United States are not immigrants but citizens from birth. As such, they have a right to participate in needs-based programs on an equal footing with other citizens.

Similarly, neither Borjas and Hilton nor Van Hook and her associates provide much guidance on the question of what to consider “welfare.” Both teams of researchers focus on those means-tested programs that they believe are in public disfavor, but neither provides evidence to support their claim that certain programs are viewed unfavorably — or why — while others are not. Furthermore, neither side explains why one should let possibly uninformed or inaccurate public perceptions guide the debate.

Given that so much depends on the terms one uses, it is perhaps not surprising that the answer to the question of whether immigrants are using welfare disproportionately depends on what one considers disproportionate. Is the U.S. average the norm against which immigrants should be evaluated? The three research teams to have studied the issue most recently imply as much. But there are alternative yardsticks. Some argue that immigrants should be held to a higher standard, since initially at least, they are guests in the country. Others argue that immigrant welfare participation rates should be evaluated in light of their income streams. By this reasoning, immigrants are doing very well. According to a 1994 CBO study, given their economic circumstances, immigrants are much less likely to be on welfare than natives: only 16 percent of immigrants below the poverty line receive (cash-based) welfare, versus 25 percent of poor natives. A recent Department of Labor (DOL) survey of the IRCA contingent concluded that “legalized aliens appeared to be nearly twice as likely as other U.S. residents to qualify for benefits. Yet their propensity to claim benefits was somewhat below average. About 49 percent of the eligible legalized aliens (compared to 74 percent of eligible persons nationwide) actually claimed benefits.”

Ultimately, these questions serve as a reminder that empirical research on immigrant welfare use can only take one so far. What definitions, categories, and comparison groups one finds most relevant in evaluating immigrant welfare use are not just abstruse semantic or methodological matters. Rather, they reflect political and moral assumptions that have to do with the meaning of membership in U.S. society and the rights and obligations one believes are incumbent on that membership.
**Blip, Spurt, or Trend?**

Regardless of how “immigrant” and “welfare” are defined, there is strong evidence that immigrant use of welfare is increasing. The Urban Institute, for example, found that 2.7 percent of working-age, non-refugee immigrants used some form of cash assistance in 1989; by 1994, they report, 5.1 percent did so. Although The Urban Institute cautions that this apparent increase may not be statistically significant, other researchers report a similar trend. Van Hook and her associates compute that 8.0 percent of immigrant households and 5.3 percent of individual immigrants used either SSI or AFDC in 1979; in 1993/4, the comparable rates were 10.6 and 7.6 percent. Borjas finds that 17.7 percent of immigrant households used cash or non-cash assistance in 1984/85; by 1990/91, that rate had increased to 20.7 percent.

But while the trend seems clear, its causes and significance are not. Researchers have advanced several hypotheses. It could be that even as the total number of the eligible within a given cohort of immigrants decreases over time (as their earnings increase), the percentage of that dwindling number who become informed about a program and who overcome their reluctance to participate in it increases. It could be that growing economic inequality is swelling poverty rates over the long-term, forcing both the native-born and immigrants onto the welfare rolls (possibly at different rates, depending on their levels of impoverishment and their knowledge of and willingness to resort to welfare). It could be that local economic downturns in high-density immigrant areas (such as California) caused a temporary increase in the national number of immigrant welfare users in the early 1990s — a blip that will prove self-correcting over time. It could be that a higher proportion of immigrants are coming from countries whose nationals have traditionally had a higher-than-average reliance on some forms of public (especially medical) assistance, namely Asian refugees, Mexicans, and Central Americans. This could result in higher overall rates of immigrant welfare use even if welfare use within these groups has remained the same or decreased. Much more statistical and demographic information needs to be assembled and more analysis needs to be conducted before any firm conclusions can be drawn.

**Magnet or Trap?**

One of the enduring allegations about immigrants is that they are drawn to the country partly because of its assistance programs. We know of no credible evidence to this effect. Instead, studies of immigrant motives, economic analyses of immigrant income streams, and sociological surveys of immigrant behavior have all consistently shown that immigrants are drawn to the United States overwhelmingly because of perceived economic opportunities.

Some critics, however, charge that once in the country, immigrants come to rely on welfare and to adopt a “welfare mentality” the way certain native-born populations are alleged to. Speaking specifically of welfare, Newsweek columnist Joe Klein stated: “Immigrants aren’t destroying America, America is destroying the immigrants.” Despite the hyperbole, the evidence here is equivocal. Borjas and Hilton adduce that the “typical immigrant household has a much higher propensity of being ‘permanently’ on welfare.” However, since they do not disaggregate by type of welfare, it is difficult to tell whether the data support their conclusion. Their finding may simply reflect the possibility that immigrants receive a different mix of assistance programs, some of which are typically provided for a longer duration than others. Elderly SSI recipients, a disproportionate number of them immigrants, often receive benefits for the remainder of their lives. Families on AFDC may have much shorter spells of benefit receipt.

There is still strong evidence that use of welfare is increasing

Furthermore, certain of the characteristics typically associated with welfare dependency — particularly non-participation in the labor market and family breakdown — are much less frequent among immigrants than among natives. The Department of Labor study cited earlier concluded that “proportionately more legalized than other prime-aged men were economically active…. As a result, there were fewer working-age dependents in the legalized than in the overall United States population.” They also found that “just five percent of legalized households with children were headed by women, compared with 26 percent nationally.”

**The Undocumented and Welfare**

There is considerable debate about whether undocumented immigrants receive welfare, but, unfortunately, very limited data. Plausible arguments can be made either way. The argument that, as a rule, undocumented immigrants are not submitting fraudulent claims for benefits is the common-sense one: people preoccupied with avoiding detection would not alert the government to their existence and whereabouts. The contrary argument is that undocumented immigrants have by definition already broken the law, and that many of them have been found to possess fraudulent documents such as birth certificates, social security cards, and even “green cards” — presumably to enable them to work, but also, perhaps, to claim benefits.
Immigrant Provisions of the New Welfare Bill

The new welfare law, P.L. 104-193, formally known as “The Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” severely restricts legal permanent residents’ (LPRs’) access to most means-tested assistance programs, and extends the present policy of barring undocumented immigrants from most assistance programs to all but certain types of education benefits for children, school breakfast and lunch programs, and emergency, disaster, and public health assistance.

The Congressional Budget Office (CBO) estimates that the provisions denying LPR access to public assistance will account for 44 percent (or $23.7 billion) of the bill’s total anticipated federal savings of $54.1 billion over the next six years. A breakdown by selected program follows on page 9.

In addition to their fiscal goals, the law’s “alien eligibility” provisions are intended to re-affirm a long-standing policy regarding immigrant self-sufficiency, a policy that in the past was balanced — some argue, frustrated — by the countervailing policy of granting LPRs qualified access to most needs-based assistance programs. The changes are also designed to ensure that, in the future, sponsors who pledge support for prospective immigrants will be required to reimburse the government for most benefits the immigrant receives. (In the past, these pledges were not legally enforceable.) Finally, the law also confers on the states much broader authority than they had in the past to designate their own benefit criteria regarding non-citizens’ access to state-funded programs.

The other table on the right provides information on changes in non-citizens’ access to major assistance programs. The four programs selected here account for 85 percent of all federal, state, and local assistance dollars.

The most significant of the new provisions are the following:

✦ Most current and future immigrants will be barred from SSI and food stamps. Current recipients’ eligibility for these programs will be redetermined within a year of the bill’s enactment. Those who fail to qualify due to their status as immigrants will lose their benefits in the month after evaluation.

✦ Most future immigrants will be barred from most federal means-tested programs for five years after their arrival. Future immigrants will also be barred from Medicaid or Temporary Aid for Needy Families (TANF) (the program that replaces AFDC), for their first five years in the United States, after which the states will be authorized to decide their eligibility.

✦ Refugees will be eligible for most federal or state benefits for their first five years in the United States. Afterwards, they will be barred from SSI, food stamps and most other federally funded programs and it will be up to the states whether to offer them access to Medicaid and TANF.

✦ There are some important exceptions to the general immigrant bar on public assistance. Among the immigrants who will continue to be eligible for most programs are refugees during their first five years of residence in the United States; immigrants who have worked in the United States for 40 qualifying quarters; veterans; and, of course, those who have naturalized.

✦ Several programs will continue to be available to immigrants regardless of their status. The most important among them are emergency Medicaid and other non-cash emergency relief; public health assistance (focusing primarily on immunizations and treatment of communicable diseases); some student assistance and school breakfast and lunch programs; Head Start; and programs run under the auspices of the Job Training Partnership Act.

In other measures, the new law requires the Attorney General to draft an affidavit of support that will be legally binding on the sponsor. The sponsor’s entire income will be deemed to be available to the sponsored immigrant. Furthermore, eligibility verification procedures will be considerably tightened. All federal, state, and local assistance agencies will be required within 3 1/2 years to verify applicants’ immigration status “to the extent feasible,” through a computerized database. Agencies must report the names and other identifying information of those whom they determine to be illegally resident to the INS on a quarterly basis, and will be required to respond to any INS queries on such matters. P.L. 104-193 also requires that all government-funded programs fully disclose the immigrant status of beneficiaries, even for programs that typically enjoyed confidentiality, such as police protection and battered women’s shelters. No state or local law can block this provision.

It is difficult to determine the likely impact of the new welfare law on immigrants with precision. To our knowledge, no projections have been attempted, in part because those who were most active in opposing the legislation focused primarily on the adverse effects it would have on children or on state and local budgets.
It may be that the law will affect fewer immigrants — and affect some of the remainder slightly less severely — than expected, with the result that some of the bill’s anticipated net savings will prove elusive, if not illusory. This may be the case, for example, with regard to SSI. The Social Security Administration keeps data on the status of the SSI recipient at the time of application for the benefit. It was these data that were used to project future SSI savings. The CBO estimated that as a result of the new law, five percent of non-citizens will naturalize in 1997, and that 45 percent will have done so by 2002. However, since until now an immigrant had to be in the United States for a minimum of three years before becoming eligible for SSI, it is highly likely that the overwhelming majority of current non-citizen SSI recipients have already been in the country for more than the five years required for naturalization. If naturalization rates turn out to be higher than the CBO estimates, which is likely, this would vitiate much of the bill’s anticipated savings.

Another reason the law’s impact may prove to be less severe than some critics anticipate is that most immigrant households contain members with different immigration statuses — making it likely that some household members will retain their eligibility and continue to receive benefits. In that case, the cuts imposed by the new law will presumably be absorbed by the entire household, rather than be borne wholly by the individual who loses his or her eligibility. (Of course, this may also mean that an entire household is thrown into poverty.)

In any case, there will be many individuals who do not have alternative support systems and who cannot become citizens, possibly because they are disabled, elderly, or otherwise in need of medical attention, or because they cannot meet the language requirements for naturalization. For them, the new law will impose extraordinary hardships.

Two unpredictable factors may yet mitigate these hardships. First, after the election, some of the welfare law’s immigrant provisions may be revisited. Second, states may choose to extend their own assistance programs to some of those who are no longer covered by federally funded programs. To do this, however, they would have to increase both their funding base (through additional tax revenues) and their administrative capacity. Absent most states’ and localities’ willingness and ability to meet this challenge, P.L. 104-193 can be expected to cause severe distress for many immigrants, as well as for their sponsors and caregivers.

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### Major Changes in Immigrant Access to Leading Public Assistance Programs

<table>
<thead>
<tr>
<th>Category</th>
<th>SSI</th>
<th>Food Stamps</th>
<th>Medicaid</th>
<th>TANF (AFDC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrive pre-enactment</td>
<td>Yes, D</td>
<td>No</td>
<td>Yes, D</td>
<td>Yes, D</td>
</tr>
<tr>
<td>New, 1st 5 years</td>
<td>Yes, D</td>
<td>No</td>
<td>Yes, D</td>
<td>Yes, D</td>
</tr>
<tr>
<td>New, after 5 years</td>
<td>Yes, D</td>
<td>No</td>
<td>Yes</td>
<td>Yes, D</td>
</tr>
<tr>
<td>Refugees 1st 5 years in US</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>After 5 years</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes, D</td>
</tr>
<tr>
<td>Undocumented</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

1. New, 1st 5 years = For immigrants during their first five years of residence who arrive after bill’s enactment.
2. New, after 5 years = For immigrants after five years of residence who arrive after bill’s enactment.
3. Refugees 1st 5 years in US = First five years in U.S.; applies retroactively as well as to future refugees.
4. Yes, D = Subject to deeming restrictions, if admitted under sponsorship. (Nearly all family reunification immigrants will be required to have a sponsor.)
5. State Op. = May grant, deem, or deny at state option.


### Estimated Impact of & Savings from Immigrant Provisions of P.L. 104-193, by Selected Program

<table>
<thead>
<tr>
<th>Program</th>
<th>% of recipients who are non-citizens</th>
<th>Number of immigrants affected</th>
<th>Projected savings from immigrant provisions FY 97</th>
<th>Projected savings from immigrant provisions FY 97-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSI</td>
<td>9%</td>
<td>500,000</td>
<td>$375 M</td>
<td>$13.3 B</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>8%</td>
<td>1,000,000</td>
<td>$365 M</td>
<td>$ 3.7 B</td>
</tr>
<tr>
<td>Medicaid</td>
<td>8%</td>
<td>600,000</td>
<td>$105 M</td>
<td>$ 5.3 B</td>
</tr>
<tr>
<td>AFDC/TANF</td>
<td>7%</td>
<td>950,000</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Sources: Immigrant Policy Project at the National Conference of State Legislatures, based on CBO estimates 8/9/96; and CRS Report 95-276 EPW.
The little evidence on the topic is mixed. The Systematic Alien Verification for Entitlements (SAVE) system mandated under IRCA to screen the immigration status of non-citizen applicants for AFDC, food stamps, and other federal assistance programs caught so few false claims that at least one state (Texas) sought a partial waiver for its use. And a survey conducted for the Immigration and Naturalization Service on the legalized IRCA population found very low rates of welfare participation by this cohort prior to their "legalization." On the other hand, a 1991 Rand survey of undocumented Salvadoran workers in Los Angeles found that 14 percent of them lived in households in which at least one family member received AFDC, 22 percent lived in households in which at least one family member received food stamps, and 33 percent lived in households in which at least one family member received WIC. (While the undocumented may be indirectly benefiting from these programs, there is no reason to believe that they are actually receiving the benefits themselves.)

Excluding households headed by immigrants from countries that send high proportions of refugees, Borjas' expected probabilities of cash benefit receipt by various immigrant groups are no less striking. Italians and Japanese are likely to receive such benefits at about the same rate as Filipinos and Jamaicans, while Canadians and Poles were about half as likely to do so. (When all benefits (cash and non-cash) are bundled together, the picture only changes marginally.)

Furthermore, the type of public assistance used by recent immigrants appears to correlate with the type of benefit received by earlier immigrants from the same country. This lends additional support to the vast body of literature on the role and effectiveness of ethnic networks in transmitting information to newcomers and assisting them in negotiating their new environment.

The Ethnic Factor

For reasons that aren't clear, different immigrant ethnic groups participate in welfare at radically different rates. Borjas, for instance, calculates that, in 1990/91, the probability that households headed by immigrants from different countries would receive cash benefits ranged from slightly under three percent for such groups as Greeks, British, and Indians, to about 41 percent for Vietnamese and 45 percent for Dominicans.
One possibility, much debated earlier this year, was to limit or restrict immigration flows. This would have been a fairly blunt policy instrument, however, given the spectrum of immigrants admitted to the United States each year. A more logical approach might be to develop immigration guidelines that would screen out future users of public assistance from the pool of immigrant applicants. But determining which characteristics among prospective immigrants predict welfare use years into the future is as much an art as a science. One might expect, for example, that immigrants admitted under the family reunification program would be poorer and hence more likely to use public assistance than immigrants admitted under employer sponsorship. However, recent research indicates that while kinship-based immigrants have lower initial earnings, they catch up to those admitted under occupational criteria within 11 to 18 years of arrival in the United States.

The one predictor of likely welfare use appears to be national origin. But although there are substantial variations in this area, discriminating on the basis of national origin has been unacceptable since the 1965 immigration amendments. Furthermore, it is worth remembering that welfare use by immigrants is only one aspect of the broader immigration question — a question that for well over one hundred years has reflected the nation's social and cultural values as well as its long-term economic goals.

The welfare policy implications that flow from data on immigrant participation rates are no clearer than the immigration policy implications. The programs which the United States developed as a social safety net for its citizens had previously been available to legal permanent residents, subject to some limited restrictions. One of the main reasons why the immigrant provisions of the new welfare law are so controversial is that they create a sharp divide in the terms of social membership between permanent residents and citizens — a distinction the United States was previously loath to make. As President Clinton himself acknowledged: “It is just wrong to say to people, ‘We’ll let you work here, you’re helping the country; you pay taxes, you serve in the military; you may get killed defending America; but if somebody mugs you on the street corner or you get hit by a car or the same thing happens to your children, we’re not going to give you assistance anymore.’"

Furthermore, the new welfare law and pending immigration legislation affect programs that constitute a “hand-up” as well as those that constitute a “hand-out.” Proposed legislation makes it far more difficult, for example, for LPRs to receive school loans and grants. This provision has been justified partly on fiscal grounds, despite the fact that immigrants are less likely to default on their loans than citizens, and despite widespread agreement that such programs contribute a substantial net benefit to the nation over time. Indeed, to generalize from this example: immigrant welfare use may be more successfully tackled by programs that encourage immigrant integration than by policies that eliminate or severely restrict their access to a safety net.

NOTES:

1 The IRCA contingent consists of two distinct groups: about 1.6 million Section 245A immigrants who were able to demonstrate continuous residence in the United States from at least January 1, 1982, and another 1.1 million Special Agricultural Workers (SAWs) who were granted lawful permanent residence status under less stringent criteria.

2 Although the courts have found that these affidavits are not enforceable, the sponsor’s income is nevertheless included in assessing an immigrant’s welfare eligibility.

3 A “householder” is defined as the person who legally either owns or rents the house; in situations of married couples, either partner may be counted. Borjas and Hilton do not specify how they choose whom to count in such situations.

4 The reverse is also possible. Consider the case of Maria’s sister, Juanita, who arrived here legally in 1990, married a native-born citizen who is defined as the householder, and has a Guatemalan-born child from a previous marriage who receives benefits. Here you have a case of a benefit used by an immigrant that is not counted as such by the authors because the household is classified as native. This scenario is far less frequent, however.
Unlike many immigrants, refugees qualify on arrival for most cash and non-cash assistance programs and will continue to do so under the new welfare legislation. There are both practical and moral justifications for granting refugees immediate access to public assistance. Most arrive without assets, English language proficiency, or relevant job skills, and, presumably, have been traumatized by war and persecution. Admitted for humanitarian reasons, refugees do not have the employer or family sponsors to guarantee that they will not become public charges.

Since 1975, approximately two million refugees have settled in the United States, making up 10 percent of the annual immigrant flow. For the 1996 fiscal year, approximately $417 million was available to refugees in specially allocated cash and medical assistance, employment services, preventative health services, a voluntary agencies matching grant program, and a targeted assistance grant program. In addition, those who qualified would receive the normal range of welfare benefits such as AFDC (soon to be TANF), SSI, food stamps, Medicaid, and so forth. The bar graph on page 13 gives an indication of refugee household dependency and self-sufficiency levels.

A refugee who enters the workforce immediately is far less likely ever to require public assistance

The question of how to help refugees become economically self-sufficient is a pressing political issue. Private agencies that work with refugees emphasize the need to keep refugees out of the welfare system and to help them find employment as soon as possible after their arrival. Research indicates that a refugee who enters the workforce immediately is far less likely ever to require public assistance. Conversely, refugees who do not find a job within a year after arrival are often likely to remain on welfare indefinitely. A California study found that refugees not working within a year had only a five percent probability of being employed after five years.

There is an ongoing discussion in Congress about turning the refugee program over to private voluntary organizations, which have had a more successful track record than the government in keeping refugees off welfare. Through intensive case management featuring integrated, culturally and linguistically appropriate services, voluntary organizations have facilitated the early economic self-sufficiency of refugees. Representative David Obey (D - Wis.) has introduced a bill that would move further in this direction. His proposal has three central components:

- U.S. voluntary agencies would be given increased responsibility for resettling refugees within a year of arrival, and would be provided with the resources to assist refugees directly with their basic needs.
- Refugees would not have access to federal or state cash assistance during their period of enrollment in the case management program.
- The federal government would have expanded authority to provide additional assistance to local communities for the cost of educating the children of refugees.

Proponents of this legislation hope that in the long run this approach will cut costs by reducing long-term welfare depen-
They caution, however, that short-term costs may increase.

The collaboration between private and public interests has already proven successful in a number of states. In one San Diego pilot program established by a local affiliate of the U.S. Catholic Conference, 64 percent of the 1,300 participants between 1990 and 1994 gained employment and are no longer dependent on assistance. By contrast, less than a quarter of those resettled by the state have become self-sufficient during this period. There has been similar success in Kentucky, where the refugee program is being administered on behalf of the state by Catholic Charities, a private agency. On average, it takes the organization less than 70 days to find jobs paying at least minimum wage for “employable” adult refugees. Nearly half of these jobs include benefits such as health care. The Illinois Refugee Social Services Consortium (IRSSC) which includes government agencies and private organizations, has resettled over 90,000 refugees since 1975. In 1994 Illinois refugees paid approximately $222 million in taxes. The IRSSC calculates that every dollar of refugee social services expended in Fiscal Year 1995 resulted in $3.08 in welfare savings.

Refugees qualify, on arrival, for most welfare programs

Because only a few states have experimented with these innovative approaches it is impossible to reach any definitive conclusions about their effectiveness. However, the apparent success of the intensive case management programs instituted to date may prove instructive in the development of initiatives to reduce welfare dependency in general.

— Tonderai Chikuhwa
**Book Review:**


Growing frustration with existing theories of immigrant and minority group behavior led these seven immigration experts to rethink current assumptions about immigrant economic success in America and how it is achieved. The result is a series of thought-provoking essays on themes of labor market participation and socio-cultural integration.

In the first essay, Portes describes what the theory of economic sociology can bring to the sociology of immigration. He adopts the idea of *social capital* to explain the process by which immigrants call on the monetary and non-monetary resources of their ethnic community to facilitate job seeking, establish businesses, and create a pool of suppliers and clients.

On a related tack, Roberts discusses how social capital is constructed. He notes that immigrants' success varies widely and depends largely on whether immigrants intend to stay temporarily or permanently. Unlike the Irish, for example, who intended to remain in the United States, Mexicans usually contemplated only temporary stays that sometimes became permanent. This insecurity effectively limited the development of "social capital" that could have facilitated a more upwardly mobile economic experience.

All of the essays in this collection point to the characteristics of the ethnic group, not the individual, to help explain old questions about economic success or poverty. It is "the level of group solidarity [read: trust or social capital]," Granovetter argues, "that gives immigrants and other minorities advantages in the construction of enterprise." He goes on to give several cases from the developing world to demonstrate how social and cultural ties are successfully woven in enterprise. In this way, Granovetter critiques the traditional perspective of economic theory that posits that "development" or "progress" can occur only when there has been a complete divorce between economic and non-economic activity in society.

Also looking at entrepreneurship, Light and Rosenstein argue that the urban institutional environment in which immigrants live and work (the demand side of the equation) is of equal
importance as the characteristics of the ethnic group in predicting a particular group’s likelihood of starting a business venture.

Another factor essential to understanding immigrants’ choices regarding entrepreneurship or wage labor is the nature of the local labor market. Sassen argues that immigrants and the native-born respond differently to labor markets, the former exhibiting greater sensitivity to specific information and opportunities available through transnational networks rather than to economic conditions in a narrowly proscribed geographic area.

Finally, with an article by Fernández-Kelly on endemic urban poverty among African Americans as a bridge, Portes analyzes why some immigrant groups — such as Vietnamese in Southern California or Cubans in Miami — succeed in achieving upward mobility for themselves and their children, while others — such as Haitians in Miami or Mexicans in San Diego — appear to lose control over their children as they assimilate into the urban underclass. Portes argues that the parents’ degree of control over their children’s aspirations and progress may be a function of social cohesiveness as measured by the level of interactions within the ethnic group. He suggests that legal status, permanence of migration, and length of residency contribute positively to this cohesiveness.

— Mary Ann Larkin

Books Noted:
The Carnegie Endowment Series on International Migration Issues has published six volumes and has two forthcoming.

1) Managing Uncertainty: Regulating Immigration Flows in Advanced Industrial Countries, by Demetrios Papademetriou and Kimberly Hamilton, focuses on the conceptual issues involved in developing contemporary immigration policy. $5.95.

2) U.S. Refugee Policy: Dilemmas and Directions, by Kathleen Newland, reviews the major elements of the U.S. refugee program. $5.95.

3) Converging Paths to Restriction: French, Italian, and British Responses to Immigration, by Demetrios Papademetriou and Kimberly Hamilton, focuses on how these three countries are responding to immigration and asylum matters. $8.95.

4) Balancing Interests: Rethinking the U.S. Selection of Skilled Immigrants, by Demetrios Papademetriou and Stephen Yale-Loehr, evaluates the present U.S. system for selecting permanent and temporary immigrants. $14.95.

5) Coming Together or Pulling Apart? The European Union’s Struggle with Immigration and Asylum, by Demetrios Papademetriou, traces European efforts to find a collective voice on immigration. $10.95.

6) Between Consent and Descent: Democratic Conceptions of Citizenship, by Douglas B. Klusmeyer, is a critical analysis of different approaches to civic membership from ancient Greeks and Romans to the present. $12.95.

All volumes can be ordered from Yasmin Santiago, CEIP IMPP. Fax (202) 862-3750.

Events:
Metropolis, a cooperative, international research project that seeks to stimulate multidisciplinary research on the effects of international migration on urban centers, is holding the first of six major international conferences in Milan, Italy, November 13-15. Contact ISMU Fondazione Cariplo, Milano, Italy, tel 39 2 72023398; or Metropolis International Secretariat, Citizenship and Immigration Canada, tel (613) 957-5983.

The Carnegie Endowment for International Peace will sponsor a conference on the new welfare law on October 23. An analysis of Mexican Immigration Law and Policy, tentatively scheduled for December 3, will also be held at the Carnegie. Call Violet Lee (202) 862-7985 for details about invitations and times.

Times Mirror and Mathew Bender & Company is holding a background briefing on U.S. Immigration Policy: Where Are We Going? on October 21, 1996, 10:00-11:30 a.m., at the Hyatt Regency Washington, 400 New Jersey Ave., NW. Call Dan Erck at (202) 667-0901.

The National Asian Pacific American Legal Consortium, the National Council of La Raza, the National Immigration Forum, and the National Immigration Law Center (among others) are co-sponsoring a Planning Conference: Welfare Reform Implementation and Immigrants. The purpose of the conference is to bring together community-based service providers, attorneys, regional and national advocates and others to build an infrastructure that will ensure that the needs of immigrants are addressed throughout the welfare implementation process. The conference will be held on October 27-29 in Washington, D.C. Contact (202) 785-1670.

The Organization for Economic Cooperation and Development is holding a seminar on “Migration, Free Trade and Regional Integration in the Mediterranean Basin,” in Athens, Greece, October 31-November 1, 1996. Contact Mrs. Sylviane Yvron-Solari (33-1) 45 24 91 60.

Please send us word of events, conferences, publications, and data sources.
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