



AMERICAN IMMIGRATION COUNCIL

March 29, 2011

## STATISTICAL HOT AIR: FAIR's USA Report Lacks Credibility

Many politicians who champion the deport-them-all approach to unauthorized immigrants have been relying upon a bloated and deeply distorted report issued by the Federation for American Immigration Reform (FAIR) in July 2010. That report, *The Fiscal Burden of Illegal Immigration on United States Taxpayers*, is not a credible source of data, yet its numbers have been cited repeatedly in this year's debates over immigration legislation in the states. The report relies upon flawed and empirically baseless assumptions to inflate its estimate of the costs which unauthorized immigrants impose on federal, state, and local governments. Much of what FAIR counts as the cost of unauthorized immigration is actually the cost of education and healthcare for U.S.-citizen children. In fact, over half of FAIR's cost estimate consists of educational and healthcare expenditures for the children of unauthorized immigrants, of whom nearly three-quarters are native-born U.S. citizens. These native-born children are counted as a "cost" of illegal immigration if they are under 18, but as U.S. citizens if they are working, taxpaying adults. In its rush to place a price tag on unauthorized immigrants, FAIR is unable to see that investing in children today pays off economically tomorrow. FAIR also neglects to mention the enormous fiscal and economic costs that would be incurred by attempting to *remove* unauthorized immigrants from the United States. As the negative impact of anti-immigrant legislation on the fiscal bottom-line becomes more apparent, many taxpayers may begin to see that the "costs" cited by FAIR do not tell the whole story.

### FAIR Inflates the Costs Which Unauthorized Immigrants Impose on Federal, State, and Local Governments

- FAIR assumes, without any empirical backing, that *all* children of unauthorized immigrants are low-income, and that they *all* attend low-income schools—and therefore that they are responsible for nearly 10 percent of the \$13.8 billion in Title I funding aimed at assisting schools to improve the academic performance of children from poor families.<sup>1</sup> In addition to being baseless, this assumption is inconsistent with other sections of FAIR's report, where higher income levels are acknowledged or even used as a basis for computing costs.<sup>2</sup> In other words, FAIR changes its assumptions about the income of unauthorized immigrants in order to maximize the costs which are attributed to them.
- FAIR acknowledges that "only anecdotal information is available" about Medicaid fraud by unauthorized immigrants, yet inexplicably assumes that the number of unauthorized immigrants who fraudulently use Medicaid is equal to the number who seek emergency

medical treatment.<sup>3</sup> No explanation is provided as to why these two numbers would bear any resemblance to one another, but this assumption helps FAIR to produce \$2.5 billion in alleged costs.<sup>4</sup>

- FAIR assumes that nearly three-fourths of Limited English Proficiency (LEP) students in public schools are the children of unauthorized immigrants—and therefore utilize most of the \$730 million in taxpayer-funded Title III programs for LEP students.<sup>5</sup> Yet FAIR also states that the majority of the children of unauthorized immigrants are U.S. citizens, born and raised in the United States.<sup>6</sup> It stands to reason that native-born children are less likely to be LEP students than are foreign-born children.
- FAIR counts the entire \$2.5-billion budget of the Department of Homeland Security's Detention and Removal Office as a cost associated with unauthorized immigration.<sup>7</sup> However, 10 percent of the people deported each year are Legal Permanent Residents, not unauthorized immigrants.<sup>8</sup>
- FAIR "charges" unauthorized immigrants with three-quarters of the \$296.7-million budget of the Executive Office of Immigration Review (EOIR). According to FAIR, *any* case brought before EOIR that is not found "meritorious" is an expense related to unauthorized immigration, including all unsuccessful claims of asylum, hardship defense against removal, and relief from deportation under the Convention against Torture.<sup>9</sup>

#### **More Than Half of FAIR's Cost Estimate Consists of Education and Healthcare for Children—Nearly Three-Quarters of Whom are Native-Born U.S. Citizens**

- Roughly 51 percent of FAIR's \$113-billion cost estimate consists of expenditures devoted to education and healthcare for children with at least one unauthorized parent.<sup>10</sup>
- As FAIR acknowledges, approximately 72 percent of the children counted in its cost estimate are native-born U.S. citizens.<sup>11</sup> But, in calculating costs for the children of unauthorized immigrants, FAIR makes no distinction between those children who are unauthorized themselves and those who are native-born U.S. citizens.
- Serious economists view education and healthcare for children as *investments* that pay off later when those children become workers and taxpayers. Healthy, well-educated children are more productive, earn higher wages, and pay more in taxes when they become adults.<sup>12</sup>
- FAIR's calculations do not account for the fact that *all* children are "costly" today, but will pay back those costs later through a lifetime spent working and paying taxes.
- Under FAIR's methodology, education and healthcare for the native-born child of an unauthorized immigrant is counted as a "cost" assigned to unauthorized immigrants if that child is under 18. But the tax contributions made by the *adult* native-born child of an unauthorized immigrant are credited to the U.S.-citizen population.

## **FAIR Neglects to Mention the Costs Associated With *Removing Unauthorized Immigrants from the United States*.**

- The costs associated with apprehending, detaining, and deporting millions of unauthorized men, women, and children would be enormous. A 2010 study by the Center for American Progress (CAP) “calculates a price tag of \$200 billion to enforce a federal dragnet that would snare the estimated 10.8 million undocumented immigrants in the United States over five years.”<sup>13</sup>
- In addition, the U.S. economy would suffer if millions of unauthorized workers, consumers, and taxpayers left the country. A 2010 IPC/CAP study estimates that removing all unauthorized immigrants from the United States and “sealing the border” to future unauthorized immigration would reduce U.S. GDP by 1.46 percent—or \$2.6 trillion in cumulative lost GDP over 10 years.<sup>14</sup>

## **Endnotes**

<sup>1</sup> Jack Martin and Eric A. Ruark, *The Fiscal Burden of Illegal Immigration on United States Taxpayers* (Washington, DC: Federation for American Immigration Reform, July 2010), p. 13.

<sup>2</sup> Ibid., pp. 33-35.

<sup>3</sup> Ibid., pp. 15-16.

<sup>4</sup> Available studies have *not* found any evidence of widespread Medicaid fraud among unauthorized immigrants. See U.S. Government Accountability Office, *Medicaid: States Reported That Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens*, GAO-07-889, June 2007.

FAIR fails to mention that efforts to crack down on the purported problem of unauthorized immigrants obtaining Medicaid through false claims of U.S. citizenship have demonstrated just how rarely such fraud actually occurs. The House Committee on Oversight and Government Reform found that for every \$100 spent by taxpayers to implement a new citizenship documentation requirement in Medicaid in six states, only 14 cents in Medicaid savings could be documented. These six states spent over \$8.3 million to find 8 undocumented immigrants (out of a caseload of over 3.6 million Medicaid enrollees) for a total savings of only \$11,048. See U.S. House of Representatives, Committee on Oversight and Government Reform, Majority Staff, *Summary of GAO and Staff Findings: Medicaid Citizenship Documentation Requirements Deny Coverage to Citizens and Cost Taxpayers Millions*, July 24, 2007.

<sup>5</sup> Jack Martin and Eric A. Ruark, *The Fiscal Burden of Illegal Immigration on United States Taxpayers* (Washington, DC: Federation for American Immigration Reform, July 2010), p. 13.

<sup>6</sup> Ibid., p. 5.

<sup>7</sup> Ibid., p. 21.

<sup>8</sup> Jonathan Baum, Rosha Jones, and Catherine Barry, *In the Child’s Best Interest? The Consequences of Losing a Lawful Immigrant Parent to Deportation* (Berkeley and Davis, CA: International Human Rights Law Clinic, University of California, Berkeley, School of Law; Chief Justice Earl Warren Institute on Race, Ethnicity and Diversity, University of California, Berkeley, School of Law; Immigration Law Clinic, University of California, Davis, School of Law, March 2010), p. 3.

<sup>9</sup> Jack Martin and Eric A. Ruark, *The Fiscal Burden of Illegal Immigration on United States Taxpayers* (Washington, DC: Federation for American Immigration Reform, July 2010), pp. 22-23.

<sup>10</sup> Ibid., pp. 14, 17, 55, 60.

<sup>11</sup> Ibid., p. 5.

<sup>12</sup> Michael Greenstone and Adam Looney, *Ten Economic Facts About Immigration* (Washington, DC: The Hamilton Project, Brookings Institution, September 2010), p. 6.

<sup>13</sup> Marshall Fitz, Gebe Martinez, and Madura Wijewardena, *The Costs of Mass Deportation: Impractical, Expensive, and Ineffective* (Washington, DC: Center for American Progress, March 2010), p. 2.

<sup>14</sup> Raúl Hinojosa-Ojeda, *Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform* (Washington, DC: Immigration Policy Center of the American Immigration Council and the Center for American Progress, January 2010), p. 12.