



Focus

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Immigration has once again become a subject of national public policy. During the summer of 1996, the rights and obligations of millions of legal immigrants were radically altered by new welfare law and by changes in immigration law. The first articles in this issue of Focus summarize these legal changes and suggest possible consequences. Following articles examine the data and definitional difficulties that have characterized much study of immigrants; explore the large differences among present-day immigrant groups and the interactions between immigration and the internal migration of poor native-born families; and analyze immigrant use of welfare programs. Partial support for this issue came from the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services, and from the Joyce Foundation and Helen Bader Foundation through the project, "Informing the Welfare Debate." The opinions expressed are those of the authors, not the sponsoring organizations.

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Immigration and social policy: New interest in an old issue

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In 1984, reviewing existing research into the economic and fiscal effects of immigrants upon the United States, Douglas Massey concluded:

A critical lack of information remains one of the hallmarks of the immigration field, and anyone who works in the area for a little while soon realizes its role in fomenting controversy, disagreement, and ultimately, inaction. Accurate information is a prerequisite to effective policy, and it is a necessary, though not a sufficient, ingredient of consensus.¹

A 1985 issue of *Focus* subsequently reported the primary conclusions of a two-year research effort that was directed by Marta Tienda.² Using 1980 Census data to examine the experience of immigrants in the U.S. labor force and their dependency, if any, on public welfare programs, the researchers concluded the following:

1. Immigrants had not displaced native labor; instead, native and foreign-born workers were "complements rather than substitutes in production." This general conclusion obtained, with some qualifications, regardless of whether the dependent variable analyzed was earnings, earnings growth, or labor force participation rates.

2. Immigrants were, other things equal, considerably *less likely* than natives to receive welfare. Moreover, with the exception of Asian groups, allegations that recent immigrants participated in welfare programs at rates higher than earlier arrivals were not empirically supported.

Eleven years and another U.S. census later, immigration has once again become a controversial issue at the forefront of domestic policy debates. Conclusions drawn over a decade ago may have little relevance today. Whether or not circumstances have changed, the character of the debate surely has. Thomas Espenshade has observed that “Anti-immigrant sentiment and fiscal conservatism have coalesced to form a new fiscal politics of immigration. Immigrants are viewed as part of the reason for the high cost of social services and are especially vulnerable to current attempts to reduce government expenditures.”³ These sentiments are reflected in public opinion polls; one survey taken at the time of the 1996 presidential election found that over two-thirds of all respondents felt that President Clinton should “put stricter limits on legal immigration.”⁴

In immigration policy making, perception is often more compelling than reality, and dispassionate analysis is all the more critical. Compared to the mid-1980s, there now exists a diverse scholarly literature that explores the relative costs and benefits associated with recent immigration into the United States.⁵ This issue of *Focus* cannot summarize that literature. Rather, it offers a sampling of recent research, seeking to illuminate the difficult data and conceptual issues associated with the serious study of the consequences of immigration, above all for the social safety net. This introductory article reviews the historical context of the immigration debate, explores recent changes in public and political attitudes toward immigration, and considers some legal and equity aspects of the legislative changes made in the summer of 1996.

An immigration policy, but no immigrant policy?

U.S. immigration policy has attempted to achieve multiple goals that have been weighted differently over time and that have not always proved mutually compatible:⁶

- *economic* objectives, such as increasing the supply of labor either overall, in the early years, or where skill deficits exist or natives are reluctant to perform certain tasks;
- *humanitarian* objectives, such as reuniting families;
- *cultural* objectives, such as promoting ethnic and racial diversity, the latter emerging as important in reaction to earlier policies which favored immigrants of European origins;
- *political* objectives, such as permitting certain political refugees into the country or, conversely, restrict-

ing access where it would create undesired economic or social consequences.

Balancing diverse objectives is seldom easy. As early as the late eighteenth and early nineteenth centuries, tension existed between a desire to attract newcomers to an emerging nation and worries about attracting those who could not (or would not) avail themselves of opportunities. On the one hand, as Stanley Engerman points out, over half of all colonial immigrants arrived in an indentured status, or otherwise had their relocation subsidized.⁷ On the other, since the colonies had adopted the English Poor Laws, which made local public authorities ultimately responsible for the care of the destitute, newcomers often were subject to rigorous scrutiny. Sometimes they were required to show evidence that they would not become a burden to the community, have a sponsor who would accept financial responsibility, post a bond or other evidence of financial security, or have a job or other means of support. Those “at-risk” of becoming public burdens were often discouraged from settling in the community.

The number of immigrants grew from around 100,000 newcomers in the 1820s to 1.7 million in the 1840s. After the Civil War, immigration once again surged, from 2.8 million in the 1870s to 5.2 million in the 1880s, and the sources of immigration changed, as large numbers of southern Europeans and Chinese began arriving. In the same period, the United States underwent two major waves of welfare reform, first in the 1840s and again in the 1880s. “Outdoor” relief—the provision of cash to families in their own homes—came to be considered a major contributor to the social and personal disorganization often associated with poor, non-native families. Various reforms called for the substitution of “indoor” (e.g., workhouses) for “outdoor” relief, or the substitution of counseling and moral suasion for cash help, or the widespread removal of children from “improper” (often urban immigrant) families and their placement in rural households where they would learn discipline and be removed from harm’s way.

An apparent temporal link between increases in the magnitude of immigration and the increase in sentiments for

This introductory article has benefited materially from the discussions of immigration issues in papers by Thomas J. Espenshade of the Office of Population Research, Princeton University (“Fiscal Impacts of Immigrants and the Shrinking Welfare State”) and Michael Fix and Wendy Zimmermann of the Urban Institute (“When Should Immigrants Receive Public Benefits,” and “Immigrant Families and Public Policy: A Deepening Divide”); and from IRP Acting Director Thomas Corbett’s analyses of the role of welfare in American society. The editor is grateful for their contributions.

Table 1
Immigrants Admitted to the United States by the Immigration and Naturalization Service, 1987–1995

Type and Class of Admission	1987	1988	1989	1990	1991	1992	1993	1994	1995
Total, all immigrants	601,516	643,025	1,090,924	1,536,483	1,827,167	973,977	904,292	804,416	720,461
IRCA legalized ^a	—	—	478,814	880,372	1,123,162	163,342	24,278	6,022	4,267
Preference immigrants	269,328	259,499	274,833	272,742	275,613	329,321	373,788	335,252	323,458
Family-sponsored	211,809	200,772	217,092	214,550	216,088	213,123	226,776	211,961	238,122
Employment-based ^b	57,519	58,727	57,741	58,192	59,525	116,198	147,012	123,291	85,336
Immediate relatives of U.S. citizens	218,575	219,340	217,514	231,680	237,103	235,484	255,059	249,764	222,254
Refugees and asylees	91,840	81,719	84,288	97,364	139,079	117,037	127,343	121,434	114,664
Other ^c	21,773	82,467	35,475	54,325	52,210	128,793	123,824	91,944	61,979

Source: U.S. Immigration and Naturalization Service, *Statistical Yearbook of the Immigration and Naturalization Service, 1994* (Washington, D.C.: U.S. Government Printing Office, 1996), p. 32. Figures for 1995 from INS site on the World Wide Web (<http://www.usdoj.gov/ins/>), Immigration to the United States in Fiscal Year 1995, Table 2, Immigrants Admitted by Major Category of Admission: Fiscal Years 1993–96.

^aAdmitted under the Immigration Reform and Control Act of 1986 (see this issue, p. 12).

^bIncludes spouses and children.

^cThis category includes a wide variety of immigrants admitted in different circumstances and in different periods, e.g., Amerasians, Cubans/Haitians, nationals of adversely affected or underrepresented countries.

welfare reform may be coincidental, not causal. Political action during the 1880s suggests, however, growing anxiety about immigration. True national immigration legislation began in 1882 with passage of the Chinese Exclusion Act, which suspended the immigration of Chinese laborers for 10 years, limited Chinese naturalization, and provided for the deportation of illegal Chinese immigrants. The Immigration Act of 1891 established the first overall framework for controlling immigration and a federal bureaucracy within the Department of the Treasury for administering the laws. The Immigration and Naturalization Act of 1924, following the great surge of immigration at the beginning of the century, imposed the first permanent quotas on immigration and established preferences for immigrants of northern and western European origins. The foreign-born population subsequently declined, from almost 15 million in the late 1920s to less than 10 million in the late 1960s.

National immigration policy changed again in 1965 with passage of the Immigration and Nationality Act Amendments, which established the ground rules for the shift away from European immigration that subsequently occurred. The ensuing period has been marked by several trends:

Scope and magnitude. Recently, about 1.1 million immigrants have been coming to the United States each year and staying.⁸ Table 1 gives the numbers of immigrants admitted from 1987 to 1995 by the immigration category under which they were admitted. In 1994, the share of the U.S. population that was foreign-born was 8.5 percent, a figure well below the historic high of 1910, when 14.7 percent of the population was foreign-born, and below comparable figures found in other developed, English-speaking nations. For example, in 1991, 22.7 percent of Australian residents and 15.6 percent of Canadian residents were foreign-born.⁹

Pace. The rate of immigration has increased recently, the share of the population that is foreign-born having in-

creased by almost 80 percent in the last quarter century. This has been driven by everything from the consequences of U.S. foreign policy (e.g., Vietnam) to economic and political dislocation in Mexico and Central America. Over half of all immigrants in the United States have arrived since 1980.

Diversity and heterogeneity. Newer waves of immigrants are no longer coming primarily from a select few northern and western European countries. Between 1970 and 1990 the number of sending countries with at least 100,000 residents in the United States doubled, from 21 to 41. Immigration patterns also changed. From 1961 to 1970, over one-third of all immigrants came from Europe, and fewer than 13 percent from the Asian continent. Between 1981 and 1990, these percentages were almost reversed: fewer than 17 percent of immigrants came from Europe, over 37 percent from Asia. Table 2 provides a snapshot of the foreign-born population, both immigrants and naturalized citizens, in 1994. The largest number of foreign-born (approximately 6.2 million) comes from Mexico; the next largest group (approximately 1 million) comes from the Philippines. Between 1990 and 1994, the Asian and Pacific Islander population of the United States increased from 7.3 to 8.8 million; about 86 percent of this growth was due to immigration. The Hispanic population of the United States increased by 28 percent, to 27 million, 39 percent of whom were foreign-born.¹⁰

Concentration. Nearly three-quarters of all immigrants to the United States live in just seven states—over one-third of them in California (see Figure 1)¹¹—and overwhelmingly reside in urban areas. Indeed, about half of all immigrants entering during the 1980s were living, at the time of the 1990 Census, in eight metropolitan areas: Los Angeles, Anaheim, and San Francisco on the West Coast, New York, Washington, D.C., and Miami on the East Coast, Chicago, and Houston.

Table 2
Characteristics of the Native and Foreign-Born Population of the United States in 1994

Characteristic	Native	Foreign-born						
		Total	Naturalized		Year of Entry			
			Citizen	Not a citizen	Before 1970	1970-79	1980-89	1990-94
Total (in 000)	237,184	22,568	6,975	15,593	4,974	4,781	8,311	4,502
Age								
Under 5 yrs	8.5%	1.3%	0.4%	1.7%	0.0%	0.0%	0.3%	6.1%
5-17 yrs	19.9	9.7	3.5	12.5	0.0	1.8	14.5	20.0
18-64 yrs	60.0	77.3	72.8	79.3	62.5	92.0	81.3	70.5
65+ yrs	11.9	11.7	23.3	6.5	37.5	6.1	3.9	3.4
Sex								
Male	48.8	49.3	49.9	50.8	43.5	48.5	52.7	50.4
Female	51.2	50.7	54.1	49.2	56.5	51.5	47.3	49.6
Race & Hispanic origin								
White	84.2	68.4	68.1	68.5	86.7	64.0	62.4	63.7
Black	13.3	7.1	4.9	8.0	4.0	7.2	8.9	7.0
Asian or Pacific Islander	1.2	20.5	24.4	18.8	7.8	24.6	24.0	24.0
Hispanic origin	6.9	45.5	27.0	53.8	31.4	48.8	53.0	43.8
Educational attainment, among persons 25+ yrs								
Not HS graduate	17.1	36.0	24.3	42.6	32.0	37.8	39.1	33.3
HS grad/some college	60.8	41.0	48.8	36.5	48.3	40.1	38.1	34.3
Bachelor's degree	14.7	14.9	17.4	13.5	11.8	14.9	15.0	20.9
Graduate or prof. degree	7.4	8.2	9.5	7.5	7.9	7.2	7.8	11.5
In the civilian labor force, for those 16+ yrs								
Employed	93.2	90.9	94.1	89.3	94.4	91.6	89.9	87.8
Unemployed	6.8	9.1	5.9	10.7	5.6	8.4	10.1	12.2
Median income in 1993, for those 16+ yrs	\$15,876	\$12,179	\$16,103	\$10,930	\$14,473	\$15,121	\$11,580	\$8,393
Poverty status^a								
In poverty	14.4	23.0	10.1	28.7	10.8	16.3	26.4	37.3
Not in poverty	85.6	77.0	89.9	71.3	89.2	83.7	73.6	62.7

Source: K. Hansen and A. Bachu, *The Foreign-Born Population: 1994*, U.S. Census Bureau Current Population Report P20-486, August 1995, p. 5.

Note: Percentages have been rounded. Persons of Hispanic origin may be of any race.

^aPersons for whom poverty status is determined.

Targeted assistance programs for legal immigrants

In 1995, Michael Fix and Wendy Zimmermann, of the Urban Institute's Immigrant Policy Program, reviewed existing federal assistance programs for immigrants and estimated some potential impacts of various legislative proposals then pending.¹² Over the past 30 years, state Fix and Zimmermann, the federal government has had an inclusive *immigration* policy, directed in large part toward family reunification, but has largely had a *laissez-faire*, hands-off *immigrant* policy. Public responsibility for incorporating newcomers and their families has fallen, mostly by default, to state and local governments.¹³

U.S. immigrant policy consists of targeted immigrant policies aimed exclusively or largely at newcomers; legislatively or administratively set eligibility rules for mainstream social welfare and education programs; and the rights of aliens as they have been defined in the courts, often interpreting constitutional doctrines.

Assistance programs have included the following: (1) programs that provide health, public assistance, job

training, and social services to refugees and asylees; (2) programs directed at elementary and secondary school students and adults of limited English proficiency; (3) policies and resources intended to deter discrimination in employment on the basis of selected alien and national origin characteristics; (4) resources provided to state and local governments to offset the fiscal impacts of specific

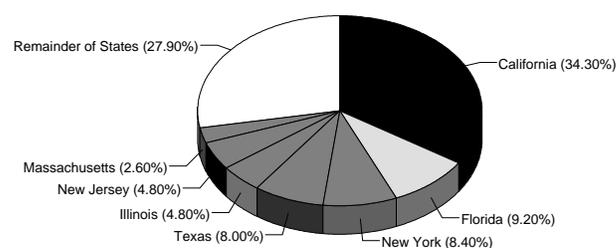


Figure 1. Foreign-born population, by state of residence.

Source: K. A. Hansen and A. Bachu, *The Foreign-Born Population: 1994*, U.S. Census Bureau Current Population Report P-20-486, August 1995, p. 1.

immigrant groups (e.g., the Emergency Immigrant Education Act and programs to reimburse states for the cost of incarcerating criminal aliens, discussed below); (5) efforts made by federal, state, and local governments to help immigrants naturalize.

Almost the only federal program that explicitly addresses the broad adaptation of immigrant families to American society is for refugees and asylees, who have been considered a special case. The Refugee Resettlement Program, established by the 1980 Refugee Act, provides funds for income support, health services, job training, and social services. Funding for this program fell from \$7,400 per refugee to \$2,100 (in inflation-adjusted dollars) between fiscal years 1984 and 1994.¹⁴

Federal funding for targeted immigrant programs is limited and has declined. The federal government spends roughly \$300 million combined on the two principal language acquisition programs, bilingual education for elementary and secondary students and English as a Second Language for adults. Between 1985 and 1992, the number of limited-English-proficient children in the nation's schools rose by 65 percent, to about 2.5 million. During that same period, real increases in federal spending on bilingual education rose by only 4 percent. As a comparison, in FY 1991, the state of California spent \$282 million on state adult education programs; federal spending, despite the percentage increase, totaled only \$201 million.

Aid distributed under the Emergency Immigrant Education Act is intended to offset state costs for foreign-born students who have less than three complete academic years in U.S. schools. In 1994, there were 700,000 such students, and the aid available amounted to approximately \$50 per immigrant child. The program to offset state costs of incarcerating criminal aliens, in contrast, will provide approximately \$12,000 per prisoner in impact aid in FY 1996.

A new nativism?

It was earlier noted that nativism has long historical roots in the United States. The attitudes of native-born Americans toward each new wave of immigrants have shifted among tolerance, ambivalence, and outright rejection. Now, as in earlier periods when patterns of immigration changed visibly, isolationist sentiment seems once again to have become a political force in the United States. The present isolationism is characterized by a turning inward, by attempts to protect one's family, community, and nation from unwanted outside influences. This inward-turning, anti-immigrant mood has found public expression in the demands for restricting legal immigration and in the "English-only" movement. Over 20 states have passed legislation making English the only official language of state business, and federal legislation to the

same end was introduced into Congress in 1995.¹⁵ At the same time, movements for welfare reform gathered momentum. But are present-day demands for both national immigration reform and for welfare reform linked, and if so, how?

Following World War II, the American public had adopted a somewhat more liberal perspective on international migration than had existed earlier. This change was sparked in part by an expanding economy, by national acceptance of the role of the United States as a world superpower with a special responsibility to refugees, and by reduced ethnic, religious, and racial prejudice. One consequence of these more generous attitudes was the 1965 immigration legislation that effectively eliminated country-of-origin quotas for immigrants and established new principles based in part on family reunification. Thereafter, U.S. immigration policies and laws governing the rights of immigrants were steadily liberalized. Rooted in the American civil rights movement, this rights-based liberalism included, for example, deportation hearings and appeal rights for apprehended undocumented immigrants and asylum seekers, and a Supreme Court decision that guaranteed undocumented immigrant children the right to public school education (*Plyer v. Doe*, 1982).

But public opposition to the attitudes represented in these more generous policies began to intensify even as the legislation was being implemented. In a 1981 survey, two out of three respondents believed that levels of immigration to the United States should be reduced; the proportion was twice as large as that detected in 1965.¹⁶

A number of reasons have been offered for this change in attitudes. One was a growing sense of economic insecurity and anxiety over shrinking employment opportunities and a declining standard of living. These were perceived to be a result of stagnant wages, decline in U.S. manufacturing powerhouses such as autos and steel, and corporate downsizing that led to white-collar layoffs for the first time since the Great Depression. The recent debate over passage of the North American Free Trade Agreement (NAFTA) evoked a deep fear that further job losses would follow if manufacturing and service jobs were exported overseas at an even faster rate. That fear found expression in protectionist and isolationist sentiments.

Added to economic uncertainty was mounting concern about both legal and illegal immigration. In absolute terms, the volume of legal immigration is now the largest in U.S. history. Roughly 20 percent of the foreign-born have arrived in the last five years, suggesting to many people that the tempo of immigration is accelerating, and that it threatens the jobs of native-born workers and presages radical change in the racial and ethnic composition of the U.S. population.¹⁷ Opposition to bilingual instruction for non-English-speaking children in the

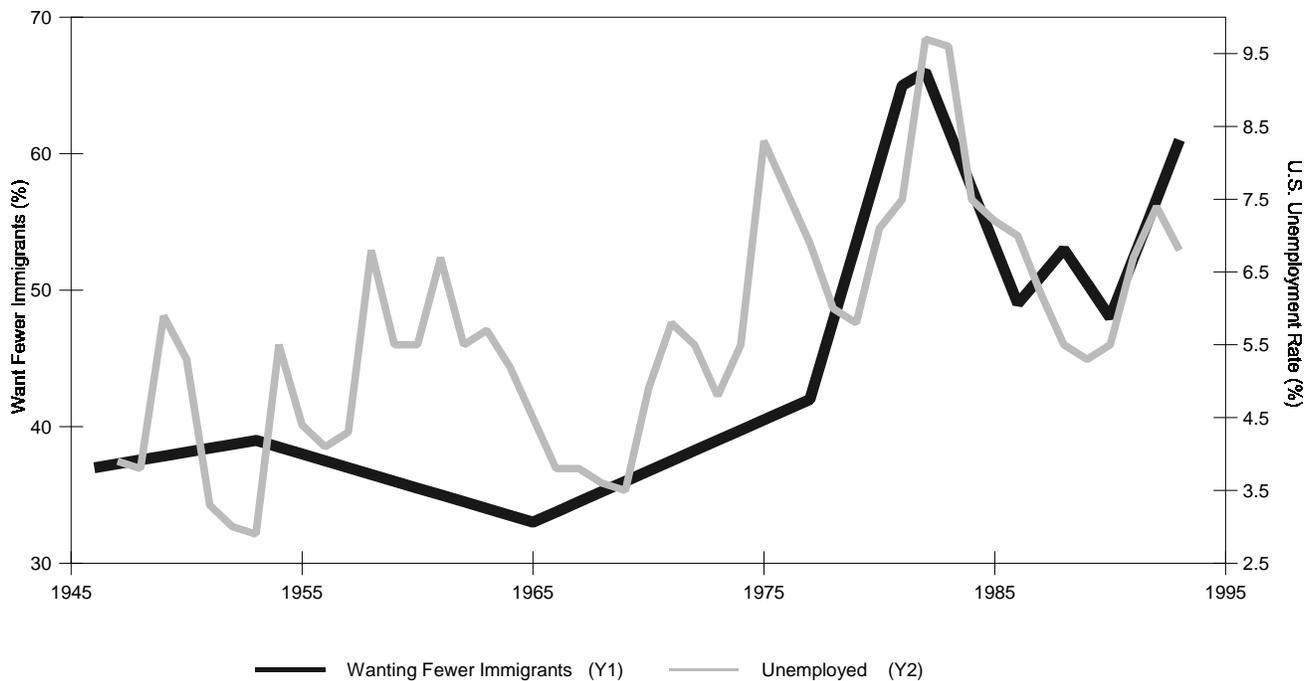


Figure 2. Percentage of American public who want immigration decreased, and trend in U.S. unemployment rate.

Source: T. J. Espenshade, “Fiscal Impacts of Immigrants and the Shrinking Welfare State,” Working Paper No. 96-1, Princeton University, Office of Population Research, p. 9.

schools is not new but has again moved into mainstream political discussion. Concern about legal immigration is intensified by illegal immigration, which is a continuing sore point in heavily affected states such as California. The perceived costs of illegal immigration fall primarily on state and local governments, provoking the public anger that found expression in California’s Proposition 187. In 1986 Congress passed the Immigration Reform and Control Act (IRCA), which was expected to reduce the flow of illegal immigrants. It did so only temporarily, and the federal government is trying again, with legislation passed in September 1996 that will almost double the size of the Border Patrol, greatly expand the capacity of the Immigration and Naturalization Service to investigate illegal immigrants in the workforce, and increase penalties for visa violations.¹⁸

Figure 2 presents recent trends in immigration attitudes and the annual U.S. unemployment rate. The two series are in general highly correlated, suggesting that anti-immigrant sentiments may be related to economic concerns and income insecurity. A June 1993 poll by the *New York Times*–CBS News that asked questions about the performance of the president, the state of the U.S. economy, and attitudes toward foreigners and immigration also demonstrated a clear link between isolationism, economic protectionism, and restrictionist views on immigration. For instance, respondents who believed that the U.S. economy was deteriorating held significantly

more negative opinions about immigrants and immigration than did persons who felt the economy was improving. Those who thought that trading with Japan and other countries was bad for the United States, who opposed NAFTA, and who felt that foreign products were inferior to those made in the United States generally also preferred lower levels of immigration.¹⁹

Anti-immigrant sentiment has intersected with another trend. The federal budget deficit grew to unprecedented size in the early 1980s, engendering what has been called a “balanced-budget conservatism,” defined as “omnipresent political focus on deficits, spending cuts, and tax avoidance.” This suggests, first, that the size of the deficit, and not the health of the macro economy, has become the yardstick for measuring congressional budgeting policy, and second, that groups see themselves as being pitted against each other in competition for shrinking government resources.²⁰ It is plausible that a growing fiscal conservatism, reinforced by economic and social insecurity, has given rise to initiatives curtailing the size and generosity of government. The welfare legislation ending entitlement to public assistance is only the most prominent example.

Together, nativism and fiscal conservatism have brought about legislation that seeks to reduce the public costs of immigration by extending to legal immigrants the restrictions on the receipt of social services that have customar-

ily applied only to illegal immigrants. Within this new fiscal politics of immigration, legal aliens came to be viewed as part of the reason for the high cost of social services. Having little or no voice in the electorate, they became an attractive and vulnerable target.

Legal immigrants and welfare reform

The confluence of pressure for a minimalist government and a general concern about immigration is reflected in several provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal legislation establishing a new federal–state relationship in the design, management, and financing of public assistance for poor Americans. Among other things, the act replaces Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF). Unlike AFDC, TANF establishes no individual entitlement to benefits and delegates a great deal of program authority to the states regarding the design and management of program specifics. But the legislation contains logical inconsistencies, attempting to shift control over welfare to the states while influencing a number of state choices.

Title IV of the act, containing several provisions that affect both legal and illegal immigrants, reflects these philosophical inconsistencies. By denying federally funded public benefits to newly arrived legal immigrants for the first five years they are in the country (albeit with individual and program exceptions), the welfare legislation makes a sharp distinction between U.S. citizens and noncitizens, irrespective of their legal right to reside in the United States. (Policy makers have hitherto made few distinctions between legal permanent residents and citizens, instead drawing a line between legal and illegal immigrants.) There are several arguments made in support of this set of policies. First is that the generosity of the U.S. social safety net serves as a magnet to the disadvantaged of other nations, particularly those countries with underdeveloped economies and public sectors. In consequence, excessive immigration results in stagnating real wages and destructive job competition in the secondary labor market, as well as increased tax burdens stemming from greater demand for services, from education to welfare.²¹ It is also claimed that the sponsors of immigrants have been shirking their responsibility to provide financial support; this trend would be reversed if the government did not provide assistance. And the same argument that has ended entitlement of native-born families to welfare is directed against immigrants: that public assistance becomes a crutch that inhibits immigrants from adapting more quickly to the nation’s culture and from seeking productive work.

Testing the validity of the arguments advanced on both sides is difficult. There is a dearth of solid and unambiguous information about the economic consequences

of immigration. The consequences of interest are usually sorted into two categories: labor market effects and fiscal effects. The first have received the most attention from economists, who have been concerned with how increased supplies of foreign workers in domestic markets affect the earnings and employment opportunities of native workers. The fiscal effects of immigrants have only recently become a topic of consequence among economists. It is by no means clear how much immigrants pay in taxes to federal, state, and local governments, how large are the benefits they receive in return, and how the two amounts compare within various jurisdictions.

Some potential effects of the new law

Consequences for the states

Testifying on H.R. 4, the House-Senate conference bill that was the precursor to the present welfare legislation, Virginia State Delegate Karen Darner expressed the concerns of the National Conference of State Legislatures (NCSL):

State legislators are deeply troubled by proposals to finance federal welfare reform by eliminating benefits for legal immigrants. The federal government’s abdication of its responsibility to those it admits to the country does not eliminate immigrants’ needs, and state and local budgets and taxpayers will bear the burden.

NCSL has three principal concerns regarding proposed welfare reform (H.R. 4) and its effect on immigrant policy in the states: they shift costs to states; they create constitutional problems; and they impose administrative burdens on the states.²²

The large cutbacks under the new law (described in the article by Wendell Primus, pp. 14–18) will presumably have the greatest effects on the six or seven states where immigrants are concentrated, and on two states in particular, California and New York, where about 52 percent of noncitizens live (see Figure 1). Because both states have higher rates of immigrant welfare use and higher payment levels, they accounted for two-thirds of the excluded AFDC recipients and three-quarters of AFDC savings that were expected from H.R. 4. California state officials have now estimated that, as a result of the reductions in aid to immigrants mandated by the new welfare law, the state stands to lose some \$5.9 billion in federal aid to noncitizens over the next six years.²³

The welfare reform bill creates distinct eligibility rules for natives, legal immigrants now in the United States, and those arriving after the law’s enactment. The administration of these complicated, multiple regulatory regimes will fall to a host of federal, state, local, and perhaps nongovernmental organizations with quite differing levels of administrative capacity. Among other things, they will be compelled to determine the nativity and legal status of applicants, determine which immi-

grants are sponsored, the sponsor's income, the number of quarters the immigrant has worked, and the wages and taxes paid during those quarters. The rules now require that the incomes of immigrants' sponsors be deemed available for their support in many more programs than previously, and over very long periods of time; this alone will place a heavy burden upon program administrators. Experience with child support enforcement demonstrates that enforcing the affidavit of support will raise difficult administrative questions, especially when the benefits provided are not expensive, are hard to price, and the provider's administrative capacity is limited.

Equity issues and the legal rights of immigrants

Fix and Zimmermann argue that the new welfare law risks a variety of negative social consequences by restricting immigrants' access to services. It has been said that it is appropriate to limit the access of legal immigrants to benefits received by citizens, because legal aliens who choose not to become citizens are demonstrating a questionable commitment to the United States. But, say Fix and Zimmermann, making citizenship the gateway to public benefits creates a motive to naturalize which has far more to do with self-interest than with any commitment of allegiance to an adopted country. Citizenship not only guarantees the right to vote, but will protect immigrants from the consequences of cuts in eligibility for public assistance and make it easier for them to bring close family members to join them in the United States. Among immigrant communities, indeed, there has been a surge in applications for naturalization. In FY 1996, at a time when more restrictive immigration and welfare measures were being widely discussed, nearly 1.1 million immigrants became citizens; the previous record was 445,853 naturalizations, set in 1995.²⁴

Legal immigrants incur the main legal obligations of citizenship: they pay taxes, and young immigrant men can be and have been drafted in time of war. To restrict access to public benefits for an extended period during which those obligations exist is to remove rights that have traditionally accompanied the obligations. By restricting eligibility for immigrants who have not worked 40 quarters in qualifying employment, the new law links their eligibility to the duration and level of taxes they have paid in a manner that is not applied to citizens, and fails to take into account the sales, property, and other taxes that immigrants also pay. By requiring that sponsors' incomes be deemed in a wide range of public assistance programs, the law imposes on immigrant families a contingent liability to reimburse public costs that is not imposed on native families. That liability may last indefinitely in the case of those for whom naturalization is difficult or impossible to achieve. In effect, immigrant participation in *social welfare* programs is conditioned, in the same way that participation in *social insurance* programs such as Social Security is conditioned. Such policies of immigrant exceptionalism reinforce the dis-

inction between "citizens" and "aliens" in ways that may sharpen already existing social divisions and anti-immigrant feeling.

There is also some question whether Congress can delegate to the states the discretion to discriminate against legal immigrants in granting access to public benefits and services, whether federal- or state-funded.²⁵ Legal challenges to the new welfare law are already under way. Some 22 states have language in their constitutions that addresses the state's obligation to protect the poor. Opponents of the new restrictions are expected to argue that this constitutional obligation bars states from implementing the prohibitions on legal immigrants in the welfare bill, and that the bill itself unconstitutionally discriminates against a class of people—immigrants who have not become citizens—when it cuts off public assistance benefits.²⁶

Concerns and contradictions

Ultimately, however, the issues that welfare reform poses for the rights of lawful permanent resident aliens and their continued eligibility for public assistance are more philosophical than legal or empirical.²⁷ At their root, the legal changes in welfare and immigration policy raise questions about the meaning of membership in U.S. society. Robert Pear put the matter succinctly: "Despite the country's history as a nation of immigrants, popular opinion in the United States has continually vacillated on the question of whom the Government is meant to serve: its people, or just its citizens."²⁸

Two main strains of opinion over this issue have emerged. In a 1994 report, the U.S. Commission on Immigration Reform, though advocating a reduction in the numbers of immigrants admitted under different visa categories, supported a broadly inclusive interpretation of the government's mandate and recommended against "any broad, categorical denial of public benefits to legal immigrants" on the ground that legal immigrants who have been accepted for permanent residence in the United States should be protected by a social safety net afforded citizens. Supporters of an inclusionary definition ask: "Should not all individuals who are members (i.e., permanent residents) of a liberal society be accorded the full panoply of rights (social and political as well as civil) enjoyed by those who are citizens?"²⁹ Their position is backed by the Constitution, which speaks of "We the People of the United States," not "We the Citizens" and by the Bill of Rights, which is designed to protect the interests of people, not citizens. To make citizenship a necessary prerequisite for receiving public assistance, opponents of the new laws argue, is to contravene traditions that run deep in American political culture. These constitutional arguments are reinforced by economic ones. In all probability, eliminating the eligibility of immigrants for federal benefits will have adverse effects upon the economic well-being of immi-

grants and of their children, many of whom are citizens, and will impose additional costs on states and localities.

But far more restrictive interpretations of the central government's responsibilities have gained ground.³⁰ In the United States, recent judicial rules and legislative acts have diminished some of the rights and protections previously accorded immigrants. Under the immigration law of September 1996, those requesting asylum in the United States will face streamlined exclusion procedures and narrower opportunities to make their case for legal residence.

It is far too early to measure any specific effects upon the legal immigrant population of the major changes in welfare policy now being implemented. Will the new restrictions deter those who might have been encouraged to immigrate by the existence of public benefits? It is not clear, in the first place, how many do immigrate for this reason. Unless and until data on these kinds of behavioral responses become available, the effects of the changes will be very hard to predict. Satisfactory answers to even the most basic questions are hampered by inadequate data, methodological differences, and conceptual inconsistencies, as articles in this issue of *Focus* suggest. ■

¹*Immigration: Issues and Policies*, ed. Vernon Briggs and Marta Tienda (Salt Lake City: Olympus Publishing Co., 1984), p. 135.

²"Immigrants, Work, and Welfare," *Focus* 8, no. 3 (Fall-Winter 1985), pp. 14–23.

³T. J. Espenshade, "Fiscal Impacts of Immigrants and the Shrinking Welfare State," Working Paper No. 96-1, Princeton University, Office of Population Research, p. 1.

⁴Based on a poll taken by the Princeton Survey Research Associates for *Newsweek* as reported in *The Polling Report* 12, no. 2, Washington D.C., November 1996.

⁵A comparison of labor market studies is provided by M. Fix and J. S. Passel, *Immigration and Immigrants: Setting the Record Straight* (Washington, D.C.: Urban Institute, 1994), appendix tables. Another comparison and review of studies of the fiscal aspects of immigration is G. Vernez and K. F. McCarthy, *The Costs of Immigration to Taxpayers: Analytical and Policy Issues* (Santa Monica, CA: RAND, 1996).

⁶For review and commentary on these issues, see *Immigration, Economy, and Policy in America*, the proceedings of a policy forum held on May 3, 1996, at the Jerome Levy Economics Institute of Bard College (Blithewood, Annandale-on-Hudson, N.Y., 1996).

⁷In *Immigration, Economy, and Policy in America*, p. 15.

⁸This is a gross immigration number. An estimated 200,000 immigrants die each year and another 200,000 emigrate.

⁹R. M. Friedberg and J. Hunt, "The Impact of Immigrants on Host Country Wages, Employment and Growth," *Journal of Economic Perspectives* 9, no. 2 (Spring 1995): 24.

¹⁰Estimates both of the numbers of the foreign-born and the size of different ethnic or racial categories differ because of different data collection and estimating procedures and sampling errors. For example, estimates of the Asian and Pacific Islander population as of March 1994 range from 7.4 million to 8.8 million. See Bureau of the

Census, *The Nation's Asian and Pacific Islander Population—1994*, Statistical Brief 95–24, November 1995, and *The Nation's Hispanic Population—1994*, Statistical Brief 95–25, September 1995; K. A. Hansen and A. Bachu, *The Foreign-Born Population: 1994*, Bureau of the Census, Current Population Reports P20–486, August 1995.

¹¹Urban Institute tabulations from the 1990 Census differ for California (38 percent), New York (14 percent), and Florida (8 percent) (Fix and Passel, *Immigration and Immigrants*, p. 29). The heavy geographical and urban concentration of immigrants today differs very little from residential patterns observed during the great wave of immigration at the beginning of the twentieth century.

¹²M. Fix and W. Zimmermann, "When Should Immigrants Receive Public Benefits?" (May 1995) and "Immigrant Families and Public Policy: A Deepening Divide" (November 1995), Urban Institute, Washington, D.C. The provisions of H.R. 4 regarding the eligibility of legal immigrants for public assistance closely tracked the provisions of the welfare law approved in August 1996.

¹³State governments in states heavily impacted by immigration have sued the federal government for reimbursement of costs arising from federal immigration policy. See, e.g., Vernez and McCarthy, *The Costs of Immigration to Taxpayers*, pp. 49–51.

¹⁴Refugees and asylees constitute 10–15 percent of annual immigration levels. The U.S. refugee admissions ceiling for 1996 is 90,000. In 1995, about 150,000 asylum petitions were filed; in January 1996, there were 468,896 pending asylum cases, according to the U.N. High Commissioner for Refugees (information from the UNHCR World Wide Web site, <http://www.unhcr.ch/world/amer/>, October 7, 1996). Welfare use is higher among refugee communities than among other immigrant groups, at least in their earlier years of residence. Evidence from Wisconsin, for instance, shows that, in 1993, Asian families, mostly Hmong refugees, constituted 31 percent of the two-parent families receiving benefits under AFDC-UP, compared to 4 percent in 1983. See M. Cancian and D. Meyer, "A Profile of the AFDC Caseload in Wisconsin: Addendum," report to the Wisconsin Council on Children and Families, July 1996, figs. 1, 2.

¹⁵The "English-only" movement promotes the enactment of legislation that restricts or prohibits the use of languages other than English by government agencies and, in some cases, by private businesses. For the first time in the nation's history, an English Language Amendment to the Constitution has been proposed. Eighteen senators and about 200 members of the House were cosponsors of one bill to make English the official language of the United States.

¹⁶E. Harwood, "American Public Opinion and U.S. Immigration Policy," in *Immigration and American Public Policy*, ed. R. J. Simon, Vol. 487 of the *Annals of the American Academy of Political and Social Science* (Beverly Hills: Sage Publications, 1986).

¹⁷The intensity of these feelings outside the heavily impacted states like California should not be overstated. For example, when the U.S. Conference of Mayors surveyed officials in 78 cities to identify key issues in immigrant policy for city officials, two out of three cities reported that they had benefitted from the presence of immigrants, citing the development of immigrant-owned small businesses which had contributed to neighborhood revitalization and increased the tax base, the increased availability of skilled and unskilled labor, and social and cultural contributions to the community (*Immigrant Policy Issues for America's Cities: A 78-City Survey*, U.S. Conference of Mayors, Washington, D.C., June 1994). In fact, numbers of immigrants have now begun to decline as the provisions of the 1990 act take hold (see Table 1).

¹⁸The INS estimates that between 1988 and 1992, just under 300,000 illegal immigrants entered the country each year (INS World Wide Web Site, Immigration Fact Sheet, November 13, 1996). Before IRCA was passed, estimates of net undocumented immigration into the United States increased from 23,000 annually in 1970 to 112,000 annually by 1980; see G. Vernez, "The United States Immigration Reform and Control Act of 1986: Implementation and Effects," in

Migration Policies in Europe and the United States, ed. G. Luciani (Dordrecht, The Netherlands: Kluwer Academic Publishers, 1993; also available as RAND Reprint RP-265). On September 25, 1996, the House approved a bill aimed at reducing illegal immigration and reducing access of legal immigrants to welfare. In the Senate, the immigration bill was included in a spending proposal needed to fund government operations, which was passed on September 30, 1996, and signed into law immediately.

¹⁹T. J. Espenshade and K. Hempstead, "Contemporary American Attitudes toward U.S. Immigration," *International Migration Review*, forthcoming.

²⁰S. Plotkin and W. E. Scheuerman, *Private Interest, Public Spending: Balanced-Budget Conservatism and the Fiscal Crisis* (Boston: South End Press, 1994), p. 6.

²¹Congressional Budget Office, *Immigration and Welfare Reform*, CBO Papers, February 1995.

²²National Conference of State Legislatures, Immigrant Policy Project, State and Local Coalition on Immigration, *Immigrant Policy News* 3, no. 2 (March 27, 1996), p. 4. H.R. 4 was vetoed by President Clinton in January 1996.

²³Elizabeth Shogren, "Clinton's Signature Launches Historic Overhaul of Welfare," *Los Angeles Times*, August 23, 1996.

²⁴S. H. Verhovek, "Immigrants' Anxieties Spur a Surge in Naturalizations," *New York Times*, September 13, 1996. According to *Migration News* 3, no. 10 (October 1996), about 8 million immigrants in the United States are eligible to seek naturalization. The most frequently cited instance of the rise in anti-immigrant sentiment is California State Proposition 187, approved by state voters in 1994, which sought to withhold education and health care benefits from illegal immigrants. The proposition was immediately challenged in the courts, and many of its provisions were struck down in U.S. District Court in November 1995.

²⁵It is settled constitutional doctrine that they may not discriminate in those programs without an explicit federal authorization. In *Graham v. Richardson*, 403 U.S. 365, 29 L.Ed. 2d 534, 91 S.Ct 1848 (1971), the U.S. Supreme Court invalidated two state laws barring immigrants from both federal- and state-funded public benefit programs, holding that the federal government had an overriding interest in matters affecting immigration and alien status, rejecting state arguments that the restrictions were needed to conserve state resources. The court, relying in part on equal protection analysis, held that state classifications on the basis of alienage (alien status) for the allocation of federal public benefits were unconstitutional.

²⁶Judith Havemann and Barbara Vobejda, "Groups Prepare Welfare Law Challenge," *Washington Post*, September 30, 1996; *Migration News* 3, no. 10 (October 1996). Under the 14th Amendment to the Constitution, the "equal protection under the law" amendment, governments may not discriminate on the basis of, inter alia, national origin.

²⁷The Congress can, if it wishes, deny welfare and other federal benefits to legal immigrants, citing its plenary authority over immigration.

²⁸*New York Times*, November 27, 1994, p. E5.

²⁹W. Cornelius, P. L. Martin, and J. F. Hollifield, "Introduction: The Ambivalent Quest for Immigration Control," in *Controlling Immigration: A Global Perspective*, ed. W. Cornelius, P. L. Martin, and J. F. Hollifield (Stanford, CA: Stanford University Press, 1994), p. 10.

³⁰European states that also have traditions of liberal immigration policy but that are now facing, or fearing that they will face, unprecedented numbers of immigrants have reacted with restrictive policies. For example, in an effort to discourage immigration, France in 1993 removed automatic citizenship from children born on French soil to foreign parents.

Fellowships and Postdoctoral Positions Available

The **Irving B. Harris Graduate School of Public Policy Studies, University of Chicago**, is pleased to announce the Harris Fellowships in Child Policy. The program offers a one-year Master of Public Policy degree for students with at least a Master's degree in early childhood development or a related field. Tuition and stipend provided. Deadline for applications is January 15, 1997. For application and information, contact Nancy O'Connor, Dean of Students, Irving B. Harris Graduate School of Public Policy Studies, The University of Chicago, 1115 E. 60th Street, Chicago, IL 60637; phone 773 702-8401 (note new area code); Bitnet address: crys@cicero.spc.uchicago.edu

The **School of Social Work at the University of Michigan**, with support from the National Institute of Mental Health, has established a Research and Development Center on Poverty, Risk, and Mental Health. The Center is seeking applicants for one-year or two-year postdoctoral Research Associate positions. Associates will attend seminars, have the opportunity to collaborate with Center faculty, and conduct their own research. Applicants should have a Ph.D. in Social Work or Social Welfare and research interests in the relationship between poverty and mental health. Applicants should send a CV, a writing sample, and a letter describing their research interests and plans to the Center at 540 E. Liberty, Ann Arbor, MI 48104-2210. Applicants should also have three letters of reference sent directly to the Center. Deadline for the 1997-1998 year is January 31, 1997.

The **Northwestern University/University of Chicago Joint Center for Poverty Research** announces its Visiting Scholars program, for untenured or junior researchers who have completed doctoral degrees. Each campus will have one Visiting Scholar in residence. Candidates are invited to express a preference for one of the two universities.

Applicants must be actively involved in research directly relevant to poverty in the United States. Preference will be given to scholars who can spend an entire academic year in residence and who will particularly benefit from interaction with the affiliated faculty in one or both universities. Maximum salary is \$40,000 for the academic year, plus benefits and some research support. There is no teaching requirement for this position. Applicants with partial funding from other sources are welcome. Ph.D. graduates of Northwestern University or the University of Chicago are ineligible to apply.

For application information, contact Kate Houston, Joint Center for Poverty Research, 2046 Sheridan Rd., Northwestern University, Evanston, IL 60208-4105; phone 847 491-4145; fax 847 467-2459; e-mail povcen@nwu.edu

Legal immigrants and welfare: Some definitions

To clarify the discussions of immigrants and the welfare system in this issue of *Focus*, we first define relevant terms in common use and briefly describe the major immigration laws.¹ We also provide a brief description of the rules governing the eligibility of legal immigrants for public assistance as they existed before passage of the Personal Responsibility and Work Opportunity Reconciliation Act in August 1996. The provisions of the act, and its potential consequences, are analyzed in the two articles that follow, "Immigration Provisions in the New Welfare Law" and "Potential Effects of the New Welfare Law upon Immigrants."

Terms used by the U.S. Immigration and Naturalization Service (INS)

An *alien* is any person not a citizen of the United States.

An *immigrant* is an alien admitted to the United States as a lawful permanent resident. Immigrants may be issued visas by the Department of State overseas or may be "adjusted" to legal permanent resident status by the INS in the United States. Immigrants become eligible for visas under different circumstances and through different legal routes, the most important of which are described below. The foreign-born who are in the United States illegally may be termed "illegal aliens," "illegal immigrants," or "undocumented workers."

Children born to noncitizens living, legally or illegally, in the United States are automatically citizens, with all rights of citizenship, including the right to public assistance. Foreign-born children of legal immigrants automatically become citizens when their parents do, if the children are under age 18.

Refugees or *asylees* are persons judged admissible "because of persecution or a well-founded fear of persecution in their countries of nationality, based on race, religion, nationality, membership in a particular social group, or political opinion." The distinction between refugees and asylees is based on where individuals are at the time they apply. Refugees are those outside their country of nationality who apply for admission to the United States. Asylees are already in the United States when they request asylum. Refugees are exempt from any numerical limitation, though worldwide ceilings are set annually by the president. Both refugees and asylees are eligible to adjust to lawful permanent resident status after one year of continuous residence in the United States. The number of asylees who may adjust each year is limited to 10,000.

A *sponsor* is a person who offers a guarantee of financial responsibility for a new immigrant. The sponsor must be 18 years of age or older, "of good moral character," and either a citizen or a legal permanent resident of the United States. Under the new law, the person who petitions for the entry of a relative must also be a sponsor. The sponsor need not, however, be a family member. If the relative petitioning for entry does not meet income requirements, then another person who does may sign the affidavit of support. For an immigrant under 18, the sponsor assumes legal custody; for all sponsored immigrants, the sponsor guarantees such financial support as is necessary to maintain the family of which the alien is a member at a level equal to at least 125 percent of the current official poverty line.² Sponsors are not required for all immigrants, only for those who might otherwise become public charges. About half of all legal immigrants were sponsored under the previous rules.

In calculating eligibility for means-tested programs under the former law, the income of an immigrant's sponsor was "deemed" to be available to that immigrant for a period of three or five years and was therefore included in the total. For immigrants with affidavits under the new laws, the sponsor's responsibility lasts until citizenship (see p. 15). Under the former law, the sponsor's declaration of financial responsibility was not legally enforceable; the immigrant had no right to sue for support promised but not delivered. Now, either the immigrant or the federal or state agency involved has the power to sue the sponsor.³

In addition to the major categories of immigrants described above, there are various special circumstances under which the foreign-born may be admitted as temporary or permanent immigrants to the United States. Some relevant categories for this discussion are given here.

Immediate relatives of U.S. citizens are those who, because of their close relationship to U.S. citizens, are exempt from the numerical limitations imposed on immigration to the United States. Immediate relatives are spouses, children (under 21 years of age), parents of citizens 21 years of age or older, and orphans adopted by citizens who are at least 21 years of age.

Legalization dependents. In each of fiscal years 1992–94, a maximum of 55,000 visas were issued to spouses and children of aliens legalized under the provisions of the Immigration Reform and Control Act of 1986 (see below).

Noncitizens permanently residing under color of law (PRUCOL) are persons awaiting a determination of asylum, or for other reasons granted permanent or condi-

tional residence, though not classified in the category of “legal permanent residents.”

Special Agricultural Workers (SAW) are foreign-born workers who performed labor in perishable agricultural commodities for a minimum of 90 days over the three years preceding May 1, 1986. Up to 350,000 were eligible for temporary resident status under a provision of the Immigration Reform and Control Act of 1986 (see below). Others who were eligible but applied after the 350,000 limit was met also acquired temporary resident status, but had to wait longer for permanent status. Adjustment to permanent resident status was essentially automatic for both groups; the process was completed by December 1990.

Temporary Protected Status (TPS). Under a provision of the Immigration Act of 1990, the Attorney General may designate nationals of a foreign state as eligible for “temporary protected status” on the ground that conditions in that country pose a danger to personal safety because of ongoing armed conflict or an environmental disaster. Grants of TPS are initially made for periods of 6–18 months and may be extended, depending on the situation. The legislation designated El Salvador as the first country to qualify for this program. Deportation proceedings are suspended against aliens while they are in TPS.

Naturalization procedures. “Green card” holders who are at least 18 years old and have been lawful permanent residents of the United States for five years, or who have been married to and residing with a U.S. citizen for three years, may apply to become citizens.⁴ There are two educational requirements for citizenship: ability to read and write simple English and knowledge of basic facts about U.S. history and government, demonstrated through an oral or a written examination. The requirement to understand English may be waived for those who are disabled, or who are 50 years of age or older and have been lawful permanent residents of the United States for more than 20 years (or who are over 55, and have been residents for more than 15 years). Applicants for naturalization who meet these criteria must still be tested for their knowledge of U.S. history and government, but may take the test in their native language.

The major immigration legislation

Current policy regarding immigrants is grounded essentially in the *1965 amendments to the Immigration and Nationality Act*, which abolished the long-standing system of numerical quotas for immigrants based on national origin, race, or ancestry, and established the allocation of immigrant visas on a first-come, first-served basis. Preference was, however, given to two main categories of immigrants: those who had close family members residing permanently in the United States (called “family reunification” entrants), and those who had oc-

cupational skills in particular demand (called “occupational preference” entrants). Numerical limits were set: 170,000 (20,000 per country) for immigrants from the Eastern Hemisphere, and 120,000 for those from the Western Hemisphere (the 20,000 per country limit was extended to the Western Hemisphere in 1976). Effective October 1978, the separate hemisphere limits were abolished in favor of a worldwide limit of 290,000. This limit was lowered to 280,000 for fiscal year 1980, and to 270,000 for fiscal years 1981–91 (for current limits, see below). Immediate relatives of U.S. citizens were exempt from these limitations.

The *Refugee Act of 1980* provided the first permanent and systematic procedure for the admission of refugees and asylees and established a comprehensive program for their domestic resettlement. It expanded the definition of “refugee” beyond those fleeing from Communist countries and entitled refugees to certain federally reimbursable social and medical services. Like the 1965 law, it increased the representation of non-European countries in the immigration flow. Unlike other classes of immigrants, refugees are not subject to the public charge requirements under immigration law or the income deeming requirements under benefit laws.

Two pieces of legislation since 1985 have markedly affected immigration to the United States. The most controversial has been the *Immigration Reform and Control Act (IRCA) of 1986*, which permitted immigrants who had been living in the country illegally since 1982 to apply for amnesty and permanent status, created a new class of “special agricultural worker” described above, increased enforcement at U.S. borders, and created sanctions prohibiting employers from “knowingly hiring . . . aliens not authorized to work in the United States.” Under IRCA, 2.7 million immigrants legalized their status, and some family members have since joined them; the 1990 Immigration Act authorized the admission of some spouses and children of the newly amnestied workers (“legalization dependents”).⁵ A significant portion of the recent large increases in the number of legal permanent residents seeking naturalization is due to these immigrants, who can be reunited with spouses and children outside the numeric limitations when they become citizens.

The present level and nature of immigration to the United States are currently determined by the *Immigration Act of 1990*, a major piece of “housekeeping” legislation. The act increased total immigration ceilings by 40 percent, setting an overall flexible cap of 675,000 immigrants, beginning in fiscal year 1995. Of these immigrants, 480,000 were to be family-sponsored, 140,000 employment-based, and 55,000 were classified as “diversity immigrants”—immigrants from countries identified as having been “adversely affected” by the categories established under the 1965 act. Not only did the act increase the proportion of occupationally preferred im-

migrants, it reserved nearly all such visas for professionals and skilled labor, leaving only some 10,000 available for unskilled labor.

Immigrants and the welfare system before passage of the welfare reform legislation

Illegal immigrants were ineligible for major entitlement benefits, except for emergency medical care under Medicaid. Because some other programs did not restrict eligibility on the basis of immigration status, illegal immigrants were also eligible for some programs such as Women, Infants, and Children (WIC) nutrition benefits.

Immigrants legalized under IRCA were barred from most federally funded public assistance programs for five years after legalization. This ban has now lapsed for most of these immigrants.⁶

Immigrants granted temporary protected status were barred from most federal benefit programs.

Many *legal permanent residents* were effectively barred from receiving most cash assistance during their early residence in the United States, because the income of their sponsors, as noted above, was “deemed” to be theirs when determining eligibility for benefits. Programs in which eligibility was restricted by deeming were AFDC, Food Stamps, and SSI. Medicaid itself had no deeming period, though eligibility was in many cases tied to eligibility for AFDC and SSI. Immigrants who used public assistance during their first five years in the country theoretically ran the risk of being deported as a “public charge” and were likely to experience greater difficulty in bringing relatives into the country, an effective deterrent.

Refugees and asylees were eligible to participate broadly in welfare programs from date of entry. The strong ethical and practical case for doing so was that refugees were fleeing persecution, their departure was often unplanned, and they were more likely to arrive traumatized and without financial resources.

Most, though not all *PRUCOL immigrants* were eligible for some programs, such as AFDC and Medicaid, but not for others, such as Food Stamps.

With passage of the welfare reform legislation in August 1996, the long-established rules and understandings governing public assistance for immigrants underwent almost complete reversal. The specifics of the legal changes, and the potential consequences, are discussed in the articles that follow. ■

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¹Note that the Immigration and Naturalization Service is within the Department of Justice and hence under the authority of the Attorney General of the United States. For the numbers admitted in each immigration category, see Table 1, p. 3.

²Immigration and Naturalization Act, Section 204.

³The availability of federal programs to different classes of immigrants is described by M. Fix and W. Zimmerman, “Immigrant Families and Public Policy: A Deepening Divide” (Washington, D.C.: Urban Institute, 1995), pp. 8–17.

⁴The “green card” (it is now actually pink) is the verification card issued to aliens lawfully residing in the United States.

⁵A useful summary of the consequences of IRCA is G. Vernez, “The United States Immigration Reform and Control Act of 1986: Implementation and Effects” in *Migration Policies in Europe and the United States*, ed. G. Luciani (Dordrecht, The Netherlands: Kluwer, 1993), pp. 83–96; also available as RAND reprint RP-265.

⁶On some consequences for public assistance programs, see Congressional Budget Office, *Immigration and Welfare Reform*, CBO Papers, February 1995, p. 17.

Immigration provisions in the new welfare law

Wendell Primus

Wendell Primus recently resigned as Deputy Assistant Secretary for Human Services Policy in the U.S. Department of Health and Human Services. He now serves as a consultant to the Center on Budget and Policy Priorities, the Brookings Institution, the Urban Institute, and others in Washington, D.C.

Since the passage of the Social Security Act in 1935, legal immigrants have been able to receive benefits from federal insurance and public assistance programs. If these immigrants became unemployed or needy, they were able to receive means-tested benefits on the same basis as citizens. With the passage of the new welfare bill in August 1996, the rules changed dramatically. Rather than merely curtailing the number of elderly immigrants or requiring more income support from sponsors for immigrants entering the country, the new legislation takes away retrospectively a system of support that many lawfully and permanently resident immigrant families currently rely upon. According to the Congressional Budget Office, cuts in benefits paid to legal immigrants constitute almost one-half, or \$23.8 million, of the savings in the new welfare bill.

Subject to immigration quotas and policies, we traditionally allowed those in search of better opportunities to enter the United States, regardless of need. As a result of this policy and of the 1965 changes in the Immigration Act that emphasized family unification, the number of parents of U.S. citizens admitted annually doubled between 1980 and 1990. And from 1986 to 1996, the number of noncitizens receiving Supplemental Security Income (SSI) benefits rose from slightly over 244,000 in 1986 to almost 800,000 in 1996—an increase of about 230 percent.¹ By 1995, slightly more than half the SSI benefits provided to the elderly were collected by noncitizens. These numbers and the desire for large budgetary savings drove the debate surrounding immigrant eligibility for welfare benefits. The debate did not account for the fact that AFDC and food stamp data show that immigrants who are not refugees have welfare utilization rates equal to or lower than those of the native-born.

President Clinton stated when signing the welfare bill that he was “deeply disappointed that this legislation would deny Federal assistance to legal immigrants and their children” and vowed “to work with Congress to correct the provisions in this legislation that go too far.” This article addresses the impact of these decisions, and concludes with a discussion of why the reforms were so punitive and phased in so rapidly.²

Provisions

The eligibility rules for cash assistance, Medicaid, and food stamps have been changed by the new welfare law.³ The rules are different for legal immigrants who were in the country prior to enactment of the law on August 22, 1996, and legal immigrants who enter on or after that date. With certain exceptions, specified below, those entering the country after the date the bill was signed will be denied aid until they become citizens. Most immigrants who are already in the country at this time will be cut from the SSI and food stamp rolls within one year. Responsibility for assistance to needy immigrants has been shifted from the federal government to sponsors and/or state and local governments. Unlike prior law, states will have considerable discretion about which services to provide to immigrants and whether to use state funds to offset federal program reductions for immigrants.

For the purposes of the act, immigrants fall into two main categories: “qualified aliens” and “not-qualified aliens.” “Qualified” aliens are legal permanent residents; refugees, asylees, and persons granted withholding of deportation; persons paroled by the INS into the country for at least one year; and certain battered women and children. All others are “not qualified,” even if in the United States legally. They are ineligible for federal government contracts, loans, grants, and commercial or professional licenses. They are also ineligible for benefits for retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, or unemployment when the assistance is provided by a federal agency or where federal funds were appropriated to pay the assistance. The great bulk of immigrants in the category of “not-qualified aliens” are illegal immigrants who, as has frequently been noted, were already barred from the majority of public assistance programs. Also included in this category are people in the United States with temporary student or work visas.

Temporary Assistance for Needy Families (TANF)

The welfare bill authorizes states “to determine the eligibility” of qualified immigrants for the TANF and Social Services (Title XX) block grants. Immigrants who were receiving assistance on August 22, 1996, retain coverage until January 1, 1997. Most immigrants who enter after August 22, 1996, will be barred from these benefits for five years. States can provide or deny TANF or Social Services to current “qualified” immigrants who are not exempt and to future immigrants after the five-year bar. Block grants are based on past funding, and since previous years included funding for immigrants, the federal grants should be sufficient to continue covering this population. States can also provide state-funded services

to immigrants who are ineligible for services under the federal block grant.

SSI and food stamp bars

Among the most severe provisions are those that will affect immigrants receiving SSI and food stamps. The legislation makes all legal immigrants entering the United States on or after August 22, 1996, ineligible for these programs until they become U.S. citizens, with three exceptions. The exceptions are: refugees and asylees during their first five years in the country, those who have served in the Armed Forces and their dependents, and those with substantial work histories—who can demonstrate 40 quarters of covered employment. Legal immigrants receiving food stamps or SSI on August 22, 1996, remain eligible until April 1, 1997 (food stamps) and mid-1997 (SSI) if they meet other program requirements. They will lose eligibility by August 22, 1997, unless they fall into one of the excepted categories. Legal immigrants not receiving benefits on August 22, 1996, may not be added to the rolls unless they also meet one of the exceptions.

Medicaid

States have the option of continuing to provide Medicaid for most categories of legal immigrants already in the United States prior to August 22, 1996. Those receiving benefits prior to this date, however, cannot be terminated before January 1, 1997. Save for the excepted groups, immigrants who enter the country after the date the bill was signed will be ineligible for Medicaid for five years. States have the option to extend this Medicaid ban for a longer period. Most of these individuals are likely to have no other health insurance and will not be able to afford expensive private insurance policies.

Other programs

Most immigrants who enter the country after August 22, 1996, are barred from “federal means-tested public benefits” for their first five years in the United States. Although the law does not define this term, legislative history suggests it should be limited to entitlement programs. Regulations will determine if this will apply to housing programs. Some programs are explicitly exempt from the five-year bar: emergency Medicaid, School Lunch Act programs, WIC, Foster Care, Head Start, Job Training Partnership Act, higher education loans and grants, and immunization.

Deeming provisions

Compounding the effect of these unprecedented legal restrictions on eligibility are strict new deeming provisions.⁴ Immigrants entering the country after August 22, 1996, will be barred from the programs mentioned above for at least five years. After this period, many of these immigrants will still be disqualified from federal benefits under the new federal deeming rules, whereby all of the

income and resources of an immigrant’s sponsor are counted in the immigrant’s establishment of eligibility for benefits. This rule could disqualify an immigrant from benefits even if she and her sponsor’s family were living at the poverty level. The new immigration law that was passed after the welfare bill added a minimum income requirement for sponsors, as well as limited exemptions from these rules.⁵ In order for an immigrant to enter, the sponsor must accept responsibility for all expenses, including the high cost of medical care. With this restriction, it will be much more difficult to enter the country.

Nearly all immigrants who enter the United States because of family ties will have to fill out a newly designed, legally enforceable affidavit of support, starting sometime between January and March of 1997. Only immigrants who enter using these new affidavits of support are subject to the new deeming rules.

Reporting and verification provisions

The act requires agencies that administer SSI, TANF, or housing assistance to report quarterly to the INS the names of individuals who they know are unlawfully in the United States. No state or local government agency, or any government employee, may be prohibited or restricted from communicating such information to the INS.⁶ Under previous law, health and welfare workers were in general prohibited from reporting illegal immigrants to law enforcement agencies.

Within 18 months of enactment, the Attorney General, with the Secretary of Health and Human Services, must issue regulations requiring the verification that any immigrant applying for federal public benefits is an eligible, qualified alien. States administering federal benefits must comply within two years of the adoption of such regulations.

Estimated impact of the new welfare law

Nearly half a million elderly and disabled beneficiaries who are legal immigrants will be terminated from the SSI program and almost a million immigrants will lose food stamps in the months ahead (see Table 1). States must decide whether to fill this gap created by the withdrawal of income assistance under SSI. In many states, these immigrants are eligible for general assistance. On average, however, these grants are considerably lower than SSI grants and are even temporary in some states. This will cause a great burden on many states and localities, particularly those with high immigrant populations. Undoubtedly, some will feel the pressure to further restrict or eliminate safety net programs, although the fiscal and public health consequences of denying subsistence income, nutrition, and health care to these immigrants may outweigh any short-term savings. These pressures will be

Table 1
Number of Immigrants Losing Benefits and Federal Savings

Federal Benefit Programs	Number of Immigrants Losing Benefits	Federal Savings (over six years)
SSI	500,000	\$13.3 billion
Food Stamps	900,000 to 1,000,000	\$3.7 billion
Non-Emergency Medicaid	635,000 (in FY 2002)	\$5.3 billion

Source: Congressional Budget Office, "Federal Budgetary Implications of H.R. 3734, The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," August 9, 1996.

particularly acute when economic growth slows, or there is a recession.

States have a strong incentive to maximize the number of immigrants who can participate in the federal Medicaid program. The federal government reimburses states for between 50 and 70 percent of their Medicaid costs. If Medicaid coverage is lost, the states, counties, or other providers will need to pay for 100 percent of these costs. The Congressional Budget Office predicts that if all states banned Medicaid to current immigrants, over \$11 billion in federal Medicaid funds would be lost to the states in just six years. The states could save another \$2 billion if they banned all current and legal immigrants from TANF services.

The poverty studies conducted by the Clinton administration and by the Urban Institute vividly illustrate the impact of these immigrant provisions. The Urban Institute study estimates that 2.6 million persons will be pushed into poverty by the welfare bill, and that of these, the immigrant welfare provisions will be responsible for 1.2 million. Legal immigrants, therefore, make up almost half of all persons whose incomes may now fall below the poverty line due to the new legislation. Additionally, of the 1.1 million children who may become poor as a result of the bill, 450,000 will be pushed into poverty by the immigrant provisions in the act. The Urban Institute states in its report that more persons will be pushed into poverty by the immigrant cuts than by any other single provision of the welfare bill.⁷

The impact will not be felt equally across states. In California, for example, 320,000 immigrants are receiving SSI. California contains 41 percent of the immigrants who will lose benefits. Another state that will be hard hit is New York, which is home to 15 percent of the immigrants receiving SSI. New York and California will need substantially more resources than other states such as Alabama, Maine, and Nebraska, which all contain less than 1 percent of the SSI immigrant caseload.

One way to mitigate the damage caused to noncitizens is to encourage them to naturalize. Of the immigrants receiving SSI, 80–90 percent have been in the United States for at least five years and are probably qualified to

become U.S. citizens. Already in 1996, a record number—almost 1.1 million—have become citizens. But many older immigrants continue to face significant barriers to naturalization, such as language requirements. If states choose to assist legal immigrants to negotiate the federal naturalization process, the need for state assistance will be less, and federal dollars will continue to flow to the states.

Analysis of the new welfare law

What led to these provisions? Elected officials were unable to defend immigrant use of welfare, particularly SSI, against the calls for curtailment of government expenditures on public assistance in general and on immigrants in particular. Immigrants' continued eligibility was considered politically unsustainable in the face of statistics claiming that over 30 percent of the aged beneficiaries of SSI were noncitizens, that over 50 percent of the dollars for elderly SSI recipients were going to aliens, and that many immigrants were applying for benefits immediately after the three-year deeming provision ended (see Table 2). The desire for large budgetary savings also drove the policy debate. Table 3 demonstrates that in the AFDC, Food Stamp and Medicaid programs, noncitizens had *higher* participation rates—but that naturalized citizens had *lower* participation rates—than the native-born. This table includes refugees as noncitizens. If refugees are subtracted, there is little, if any, significant difference in utilization rates between immigrants and the native-born in the AFDC and Food Stamp programs. In the SSI program, however, both noncitizens and naturalized citizens had higher participation rates than native-born citizens.

The case for the reform is stated succinctly in the 1996 *Green Book*: "Public Law 104-193 [the welfare reform

Table 2
Aliens Receiving SSI Payments, by Length of Time between Entering the United States and Application for Benefits

Months between Residency and Application for SSI	Legal Aliens Receiving SSI	
	No.	%
Total	634,810	
0–11	96,610	15.2
12–23	32,720	5.2
24–35	30,910	4.9
36–47	131,550	20.7
48–59	44,910	7.1
60–71	34,600	5.5
72–83	27,270	4.3
84 and over	225,840	35.6

Source: Social Security Administration, SSI 10 percent sample, December 1993.

Note: December 1993 data on applications made after 1980. The total includes 10,400 with unknown residence. Percentages have been rounded.

Table 3
Percentage of Citizens by Birth, Naturalized Citizens, and
Noncitizens Receiving Various Welfare Benefits in 1994

Welfare Program	Citizen by Birth	Naturalized Citizen	Noncitizen
SSI	2	3	3
Under age 65	2	2	2
Age 65 and older	4	7	23
AFDC	5	2	6
State Assistance	1	(too small)	2
Food Stamps	12	7	16
Medicaid	8	3	11

Source: U.S. House of Representatives, Ways and Means Committee, *Overview of Entitlement Programs: 1996 Green Book* (Washington, D.C.: U.S. Government Printing Office, 1996), p. 1308; M. J. O’Grady, *Native and Naturalized Citizens and Non-Citizens: An Analysis of Poverty Status, Welfare Benefits, and Other Factors* (Washington, D.C.: Congressional Research Service, 1995).

bill] returns American policy on welfare for noncitizens to its roots by barring most noncitizens who arrive in the future from receiving welfare benefits. Current resident noncitizens face changes only in those programs subject to abuse or with a significant State financial commitment.” But this new law is historic in that, for the first time since these benefit programs began, lawmakers have decided to exclude people from assistance *solely because of their status as legal immigrants*, even if their need for benefits and services is exactly the same as a citizen’s. This is a significant departure from the interpretation of “public charge” (see p.13) that has prevailed in our country’s modern history. Nothing in immigration law has ever explicitly prevented legal immigrants from being eligible for public benefits. The concept of “public charge” has been used primarily to exclude immigrants from entry into the United States—and indeed, the latest estimates by the Department of State show that approximately 25,000 immigrants each year are denied requests for entry because they cannot establish that they are not likely to become “public charges.” However, once an immigrant has been granted legal residence, it has been this country’s long-standing policy to recognize that misfortune can occur equally to citizens and legal immigrants, and that an individual’s eligibility for benefits should not be based solely on citizenship or immigrant status. Further, making a determination of “public charge” for the purpose of deporting an immigrant has generally been limited to determining whether the immigrant had fraudulently obtained benefits.

The changes in sponsors’ responsibilities and legislative provision for enforcement of these responsibilities were steps in the right direction. Arguably, a central tenet of social policy was violated when the rules were applied retrospectively. Retirement benefits are not changed for those about to retire, nor are tax provisions relating to investment altered after the investments have been made. In the case of the immigrant provisions of the welfare bill, this approach was rejected because the budgetary

savings in the bill are derived substantially from cutting current recipients off the rolls. Immigrants are a large component of current recipients in some programs, and applying the rules only to new legal immigrants entering the country would have yielded very small savings.

Critics of the welfare restrictions argue that complete bans on eligibility do not recognize the reality that the needs of the immigrants may change unexpectedly and be beyond the sponsor’s ability to meet, and that sponsors themselves may lose income due to disability, unemployment, or other circumstances beyond their control. As it turned out, neither the political parties nor the administration were prepared to expend political capital on this issue.

This was an extremely difficult issue to analyze. There are many different classifications of immigrants, each classification with different implications for treatment under each of the safety net programs. Within the broad general class of immigrants there are work-sponsored versus relative-sponsored immigrants, refugees and asylees (see pp. 11–12). It was not easily established how many legal immigrants were actually on welfare rolls. Preparing cost estimates for a variety of deeming options, some prospective only and some with application to current beneficiaries, was difficult at best.

How should the concept of the public charge be enforced? The most difficult aspect was the provision of medical care. Most of us would be unable to promise that our 75-year-old parents, for example, would not become public charges, given the expensive nature of health and long-term care institutions in this country. Individual medical insurance for the elderly is expensive and hard to get. The complete bars on SSI and food stamp receipt render deeming somewhat irrelevant: the provision that requires all, rather than merely part, of the income of the sponsor to be deemed available to the legal immigrant may mean that even immigrants whose sponsors have become poor in the interim will be ineligible for assistance. But we do not yet know how the laws will affect naturalizations, and there is no bar on eligibility for naturalized citizens.

The increased flexibility given to states to discriminate against legal immigrants by restructuring access to programs is especially problematic. Medical care, in particular, is extremely expensive. If immigrants or state legislators perceive that more generous Medicaid and welfare eligibility provisions will create a welfare magnet for immigrants, states will be tempted to introduce more stringent requirements.

Conclusions

The immigrant provisions are among the most onerous in the welfare bill. There was little need for reform of laws

and regulations governing immigrants' eligibility for welfare, except for the SSI program. In other programs, welfare receipt by immigrants was not disproportionately out of balance with welfare receipt by citizens. The public backlash against SSI might have been avoided had immigrant policies earlier been coordinated with welfare policies.

The poverty statistics which clearly showed the likely impact of the immigrant provisions in the welfare bill were never utilized to push a more moderate set of proposals. Given the tenor of the debate, the large sums of money that would be needed to fix the immigrant provisions, and the unwillingness to sacrifice political capital, there is little evidence to suggest that these provisions will soon be ameliorated. This will be particularly true in early 1997, when the first order of business is likely to be balancing the federal budget. ■

¹E. Ponce and C. Scott, *Aliens Who Receive SSI Payments* (Washington, DC: Social Security Administration, 1995).

²I would like to thank my research assistant, Margery Ditto, for her work on this article and David Nielsen for his comments.

³The section borrows heavily from *The New Welfare Law*, printed by the Center on Budget and Policy Priorities, and *Immigrants and the '96 Welfare Law: A Resource Manual*, printed by the National Immigration Law Center. Another useful source is an unpublished description of Conference Agreement 3437, *The Personal Responsibility and Work Opportunity Act of 1996*, prepared by Susan Golonka of the National Governors' Association and Sheri Steisel of the National Conference of State Legislatures, August 9, 1996 (pp. 16–18). The specific provisions of the prior laws regarding immigrants' eligibility for welfare are described in "Legal immigrants and welfare: some definitions" (this issue, pp. 11–13).

⁴In 1980, Congress had begun the concept of deeming in the SSI program. A certain portion of income after allowances for the sponsor's family was deemed to the individual applying for assistance. This curtailed eligibility significantly, but only for three years. This was later lengthened to five years and broadened to include other programs. Deeming was extended to AFDC in 1981.

⁵The Omnibus Consolidated Appropriations Act, 1997 (H.R. 4278), reinforced the restrictions on the access of legal immigrants to welfare benefits contained in the welfare law. Furthermore, rules for sponsorship were tightened. Previously, the poverty level was used as a guideline for accepting sponsors' promises of support. Under the new immigration law, U.S. citizens who wish to bring spouses and minor children into the United States, for example, must have incomes that equal 125 percent of the poverty line.

⁶Mayor Rudolph Giuliani of New York City has filed a lawsuit against this provision and, in conjunction with other big-city mayors, is contemplating broader action against the immigrant clauses of the welfare bill (*New York Times*, Oct. 1, 1996; see also *Washington Post*, Sept. 30, 1996, for a report of other pending lawsuits).

⁷S. Zedlewski, S. Clark, E. Meier, and K. Watson, "Potential Effects of Congressional Welfare Reform Legislation on Family Incomes," Urban Institute, July 26, 1996.

Surveying immigrant communities

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Facing difficult questions in a highly charged public atmosphere, policy makers and researchers alike are handicapped by the lack of reliable information about immigrant families: their socioeconomic characteristics, their use of public services, the costs of providing those services, the revenue sources to which immigrants contribute, and the amounts of those contributions.¹

In the absence of hard information on these critical parameters, researchers have made differing assumptions that not only affect the magnitude of their estimates, but also the direction of the net cost estimates. Most studies, for example, have assumed that immigrants' use of services is proportional to their numbers, regardless of their socioeconomic and immigrant status. But the RAND pilot study of Los Angeles County reported here suggests that use of public services is generally not affected by immigration status (including illegal status), but is affected by family income and family size, particularly the presence of children under age 5. Tax payments and payroll deductions, however, do vary significantly with immigration status: illegal immigrants have the lowest incidence of payroll tax deducted and of federal and state income tax filing.

Definitional difficulties

Analysts have not yet agreed on a uniform accounting framework for determining (a) which public services and which revenues, hence costs, ought to be included in the costs of immigration; (b) how to define and categorize immigrants; and (c) how to select an appropriate accounting unit and measure costs, and over which period of time.

What services should be included?

Most studies agree that all services provided directly to individuals (e.g., education, nutrition, and social services) should be included. But what about major categories of federal expenditures such as general government and administrative expenditures or social insurance programs? As just one example: The implicit argument for excluding social insurance programs such as Social Se-

curity—that these programs are self-funded—ignores the redistributive function that provides benefits to low-income individuals that are higher than the amount of their contributions. Even when the decision is made to include social insurance expenditures, should they be allocated on a current, intergenerational, or even lifetime basis? Because most recent immigrants are young and will not be eligible to receive social insurance benefits for several years, the cost allocation approach that is used can result in as much as a tenfold difference in the estimate of costs.²

Who is an “immigrant”?

Researchers have agreed that foreign-born noncitizens should be classified as immigrants. But they have disagreed about how to treat naturalized immigrants and the native-born children of legal or illegal immigrants. By U.S. law, both groups are citizens, and so from a legal perspective they are not immigrants. From a pragmatic perspective, however, it is arguable that they should be counted with immigrants rather than with the native-born: their presence here is a consequence of federal immigration policy.

The categories used to group immigrants have important cost estimating and policy implications. Some studies focus on immigrants in the aggregate. Others group immigrants into three categories: currently illegal, those who have received amnesty under the 1986 act, and other immigrants. But these broad groupings fail to capture the diversity of immigrants or provide an adequate basis for policy. More appropriate criteria would distinguish immigrants based on the categories used by the Immigration and Naturalization Service: refugee status, family reunification, or employment, for example. These and other more specific characteristics, such as education levels, skills, and work experience, would provide a better understanding of which immigrants are more likely to be high consumers of public services, what kinds of services, and their economic impact on the labor market.

What is the appropriate accounting unit?

Should studies of the immigrant population use the household, the family, or the individual as the accounting unit? Depending on this choice, conclusions may differ materially.³ Moreover, many immigrant families contain a mixture of native and foreign-born individuals, and also individuals of different immigration status—illegal, amnestied, legally resident. Is an “immigrant family” one in which only the household head is foreign-born, or the spouse of the head, or any family member?

Focusing on the net fiscal costs of immigration in a given year is appropriate for those concerned with balancing budgets from one year to the next. But immigrants' use

of services and contributions to revenues are likely to vary over time as immigrants assimilate. Many services provided immigrants, especially education and health services, can appropriately be regarded as investments made in this generation, in the expectation of a return in the next generation.

Without better data, there are many questions for which we can only surmise or estimate answers. Among those most relevant to the low-income population are:

Do immigrants help meet critical labor shortages? Do they create more jobs or displace native workers from existing jobs?

Do immigrants use public support to get on their feet initially or do they become dependent upon it?

What fiscal burden does immigration create and how is it shared among levels of government, the immigrants themselves, and others?

How do immigrants move into better paying, more stable jobs? How do they invest in education and other skills?

How do the number and composition of immigrants and changes in economic conditions affect the answers to the questions outlined above?

Limitations of existing data

Four major substantive and methodological limitations have plagued studies of immigrants to the United States. First, studies using data sets of national scope (e.g., decennial Census, Current Population Survey, Survey of Income and Program Participation) generally have not focused on immigrant policy issues and provide limited information about the characteristics, needs, and behavior of immigrants because they do not adequately identify the population. Often, the numbers of immigrants included are too small for useful analyses.

Second, surveys typically have not distinguished legal from undocumented immigrants, nor have they collected data on immigrant status among legal permanent residents—whether, for instance, they are refugees.⁴ Restrictions on the use of some public services by immigrants may affect expectations, needs, and use of health, education, welfare, legal, and social services.

Third, studies have typically not collected longitudinal or retrospective data that permit examinations of changes over time, especially from one generation to the next. Data are needed on cohort effects (differences between waves of immigrants entering the United States at different periods); individual changes (changes over time experienced by each immigrant); and generational changes (differences between immigrants and their offspring). For example, longitudinal data or repeated cross-sections are necessary if we are to resolve the much debated

question of whether recent immigrants are faring more poorly than previous cohorts because of the increasing differences in human capital between immigrants and native-born, because of changes in the labor market, or perhaps just because they are at a different stage of the immigrant experience.

Fourth, most national data sets that have been major sources of information about immigrants (e.g., the decennial Census) have not used appropriate translations of survey instruments; their surveys may yield data of uncertain quality from immigrant groups with limited English and may not provide comparable information across different immigrant groups.

The Los Angeles Community Survey

To see whether such problems could be overcome, the RAND Center for Research on Immigration Policy undertook in 1991 to conduct a pilot study: the Los Angeles Community Survey (LACS) of Salvadorans and Filipinos. On a smaller scale, the pilot survey faced many of the same challenges that a national survey would confront: deciding which immigrant populations to survey, recruiting and training bilingual staff, identifying neighborhoods where populations of interest are concentrated, developing and testing culturally appropriate survey instruments that can answer questions of concern, including such potentially sensitive questions as immigration status, and dealing with issues that arise when attempting to conduct the same survey in several different immigrant communities.

Salvadorans and Filipinos were chosen because they represent the two continents from which most immigrants now come to the United States, because these populations are expected to grow, because they include recent arrivals as well as long-time residents, and because they have not been extensively studied.

The survey focused on ascertaining and documenting the following: immigration status (i.e., undocumented, temporary protected status, IRCA legalized, legal permanent resident),⁵ employment experiences, public and social service needs and use, tax contributions, family composition, language ability and use, and educational expectations and achievements.

Eligible households for the pilot study were identified using a short screening questionnaire in five Los Angeles County neighborhoods that had high concentrations of Salvadorans and Filipinos, according to data from the 1980 Census (1990 Census data were not then available). About 6,300 households were screened between May and June 1991 to identify eligible respondents, defined as adults aged 18 to 64 who were born in El Salvador or the Philippines; 1,161 eligible respondents were identified. In August and September 1991, 35 bilingual interviewers

Table 1
The Los Angeles County Survey:
Characteristics of Salvadoran and Filipino Immigrants

Characteristics	Salvadorans	Filipinos
Education		
Six years or less (%)	44	14
Some college (%)	3	70
Median years of schooling	7	15
Language		
Understand English well (%)	42	97
Read English well (%)	33	95
Age		
18–29 years (%)	47	19
50–64 years (%)	6	28
Female (%)	55	54
Marital Status ^a		
Married (%)	62	75
Spouse absent (%)	3	15
Never married (%)	28	19
Ten Years or More in U.S. (%)	26	56
Immigration Status at Entry		
Undocumented (%)	89	5
Permanent resident (%)	4	72
Other ^b (%)	7	22
Reasons for Entry		
Family reunification (%)	12	45
Enhanced opportunities (%)	57	51
Safety reasons (%)	26	1
Other (%)	5	3
Labor Market Characteristics		
Median family income (\$/year)	11, 484	47,323
Employed (men/women) (%)	80/69	85/78
Occupation (men/women) (%)		
Managerial, professional, tech. support, admin. support	6/6	45/63
Precision product, craft, assemblers, laborers	73/24	33/14
Private household service	0/42	0/1

^aRespondents were more likely to be married than the general Salvadoran and Filipino immigrant population in Los Angeles County (62 vs. 48 percent and 75 vs. 62 percent, respectively).

^bVarious types of temporary visas, including student and tourist visas.

completed interviews, each lasting approximately an hour, with 655 respondents, 382 Salvadorans and 273 Filipinos. The pilot survey successfully enlisted the cooperation of its selected respondents (refusal rates were 5 percent for the Salvadoran and 8 percent for the Filipino sample, rates comparable to those for personal interviews in urban settings). Because of the extensive training of interviewers, testing and retesting of the survey instruments, and error checking after the interviews, researchers are confident that the survey was successful in eliciting reliable data, including responses to sensitive questions, on the main issues investigated. The pilot also revealed several critical research issues that are peculiar to surveys of immigrant populations:

1. *Choosing immigrant communities to study and identifying an appropriate sample.* The difficulties experienced by the 1990 U.S. Census and the lawsuits to which these gave rise underscore the complexity of these deci-

sions, particularly where poor, densely crowded, inner-city neighborhoods are concerned. In the pilot project, interviewers found that the “hidden” apartments missed by the original lister often contained undocumented immigrants.

2. *Developing and testing questionnaires suitable for administration with different immigrant groups.* This is time-consuming; in the pilot project, it required close collaboration between the design team, highly skilled translators, and outside consultants, and extensive pre-testing in the language in which it was to be administered.

3. *Recruiting and retaining a high-quality bilingual field staff.* Researchers offered the interviewers extensive training on the purpose of the study and aggressively solicited feedback from them; they stressed the importance of the project to the community and gave strong assurances of confidentiality.

4. *Obtaining high survey participation and retention rates.* Many immigrants, particularly in low-income communities, are highly mobile. Many inner-city families live in large apartment buildings where access for interviewers may be difficult or denied. Many have no telephone. Surmounting such obstacles requires a high level of effort.

5. *Designing effective field management procedures for bilingual staffs* for whom English may not be the first language, and who are typically inexperienced interviewers.

Findings from the Los Angeles Community Survey

Significant differences immediately emerged between the two groups of immigrants surveyed by the pilot program—most notably in their level of education and mastery of English, but also in their immigration status at entry, labor market characteristics, and family income (see Table 1). These differences are reflected in the nature and extent of public services, including transfer programs and health services, that immigrants reported using (see Table 2). The relatively high income of Filipino immigrants rendered them ineligible for income-tested programs such as AFDC, general relief, and food stamps. In contrast, at least one in ten Salvadoran immigrant families had received AFDC at least once in the past year, one in five received food stamps, and one in three benefited from the Women, Infants, and Children (WIC) program, a special supplemental food program that provides food, vitamins, counseling, and health care referrals to pregnant women and to children under the age of five. Salvadoran immigrants were three times as likely as Filipinos to rely on public hospitals and on county and free clinics, three times less likely to be enrolled in a health maintenance organization or to have consulted a dentist (private or public). Undocumented immigrants not eligible for AFDC or food stamps benefited indirectly from these programs, either through their eligible

Table 2
The Los Angeles County Survey: Use of Public Services by Salvadoran and Filipino Immigrants

Percentage Using	Salvadoran Immigrants					Filipino Immigrants		
	Undocumented	TPS ^a	Temporary Visa	Permanent Resident	All	Permanent Resident	Citizen	All
Transfer Programs								
AFDC	14	10	13	6	9	2	1	1
Food stamps	22	17	18	14	17	4	1	2
WIC	33	28	34	20	26	6	0	2
Unemployment compensation	8	8	8	10	9	13	8	10
Workers' compensation	4	6	0	8	6	3	3	3
Health Services								
Public hospital	30	24	29	21	25	10	10	10
County, free, or family clinics	52	50	53	35	45	16	10	12
Prenatal clinics	17	20	16	14	16	6	4	4
Private doctor or clinic	31	48	39	51	45	52	62	58
HMO	8	13	8	21	15	38	51	47
Private dentist	7	25	18	28	22	61	75	69
Health Insurance Status								
Any insurance	39	40	37	44	41	87	90	88
Govt. program	35	28	32	22	28	26	26	26
Private insurance	3	7	11	15	10	56	58	57
HMO	7	10	3	18	12	40	53	49
Payer								
Employer or union	6	10	11	19	14	77	83	81
Privately purchased	0	0	3	2	2	7	5	6
Average income (\$/year)	10,250	10,800	11,250	13,000		37,630	50,000	

^aTPS means Temporary Protected Status (see p. 12).

citizen children or through eligible relatives. This fact reinforces the accumulating evidence that immigrant families contain members with different immigration statuses, ranging from undocumented to temporary or permanent residents, and naturalized citizens.⁶

Often ignored is the dynamic nature of immigrant status: by the time of the survey, for instance, nearly all of those who had entered on a visitor's or temporary visa had become permanent residents, qualifying either through the family reunification or employment-based categories. Although the distinction between undocumented and legal permanent immigration is an important legal construct, the two are not independent flows, and today's undocumented immigrant may well be tomorrow's permanent resident; their U.S.-born children, at least under present law, will be citizens. Thus denying access to education and preventive health care, for instance, may have questionable social validity.

Despite the survey's many enlightening insights, it has clear limitations in answering policy questions. From the data provided by one interview, no matter how thorough, the reasons for the different economic status and different impacts of these two groups cannot be asserted with any certainty. Are the Filipino immigrants more prosperous because they are better educated, or because they have been in the country longer? Where did they acquire their education? Many Salvadorans came in flight from

civil war, but the U.S. government was long reluctant to recognize this fact, for political reasons; does the demographic profile of the Salvadorans, then, more closely fit that of refugees rather than immigrants? Have the Salvadoran immigrants taken skilled or unskilled blue-collar jobs at the expense of native American workers?

The Los Angeles Community Survey has demonstrated the feasibility of conducting detailed surveys of immigrant communities and the importance of the information that they provide. Such studies are not cheap: based on the costs of their pilot survey, researchers estimated that preparing the initial interview for a national survey of 9,000 immigrants in nine urban sites would cost about \$6 million (in 1994 dollars). The passage of welfare reform legislation, with its major changes in the eligibility of legal immigrants for public assistance, has added a new and very urgent set of questions to the traditional ones about the costs and contributions of immigrants; answers will require reliable information of a kind imperfectly available in existing data sources. Only national longitudinal studies that follow particular immigrant groups over time and set them in historical context can illuminate the kinds of policies—whether immigration policies or social services—that are best suited to the rapid and successful incorporation of immigrants into American society. ■

¹This article summarizes two reports from the RAND Center for Research on Immigration Policy: G. Vernez and K. F. McCarthy, *The Costs of Immigration to Taxpayers: Analytical and Policy Issues* (Santa Monica, CA: RAND, 1996); reviews recent estimates of the net costs of immigration that have been widely cited in public debate over the issue. J. Davanzo, J. Hawes-Dawson, R. Burciaga Valdez, and G. Vernez, *Surveying Immigrant Communities: Policy Imperatives and Technical Challenges* (Santa Monica, CA: RAND, 1994), analyzes deficiencies in the existing sources of data regarding immigrants, puts the case for a new national survey, and reports upon the pilot study of Los Angeles County immigrant populations that tested the methodologies that such a survey would demand.

²Immigrants who came to the United States between 1990 and 1994 have a median age of 26. The median age of all foreign-born persons in the United States (37 years) is, however, higher than the median age for natives (33 years). Naturalized citizens are older (48 years). See K. A. Hansen and A. Bachu, "The Foreign-Born Population," U.S. Census Bureau, Current Population Report P20-486, August 1995.

³This issue is addressed in the article by Frank Bean and colleagues, in this issue.

⁴The U.S. Census, for example, does not collect information on visa status.

⁵These terms are explained on pp. 11–12.

⁶In 1990, 24.3 percent of adults and 80.1 percent of children living in immigrant households were native-born (J. V.W. Van Hook, J. E. Glick, and F. D. Bean, "Nativity Differences in Public Assistance Receipt: What Difference Does the Unit of Analysis Make?" unpublished ms., University of Texas at Austin, Population Research Center, May 1996).

Conference Announcement/Call for Abstracts

The Northwestern University/University of Chicago Joint Center for Poverty Research announces its First Annual Poverty Center Research Conference, entitled "Evaluating State Policy: The Effective Use of Administrative Data," on June 16–17, 1997, at Northwestern University. The two-day program will bring together researchers and state data officials to discuss the possibilities and problems involved in the use of state administrative data.

Two-page abstracts are solicited from researchers currently utilizing state administrative data to evaluate social policy and engaged in research that discusses methodological issues associated with its use. Abstracts must be received no later than March 21, 1997. Researchers whose abstracts are accepted for inclusion in the program will be expected to submit a completed paper by June 1, 1997.

Abstracts should be submitted to Research Conference, Joint Center for Poverty Research, 2046 Sheridan Rd., Northwestern University, Evanston, IL 60208-4105. For further information, write to the same address or, by e-mail, to pvocent@nwu.edu

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Immigration and the changing geography of poverty

William H. Frey

William H. Frey is a demographer and research scientist at the Population Studies Center, University of Michigan, Ann Arbor.

Immigration to the United States since 1965 has been heavily drawn from developing countries in Latin America and Asia, and has consisted disproportionately of the less well-off and the relatively unskilled. Thus the debate over U.S. immigration has focused primarily on its near-term economic consequences for native-born workers, taxpayers, and government programs. Largely overlooked is an equally important long-term consequence for the nation: sharper social and demographic divisions that, if unaltered, portend a “demographic balkanization” of the United States. Across broad regions and metropolitan areas, separate immigration and domestic migration patterns are becoming apparent. They consist of:

1. Highly focused state and metropolitan-area destinations of immigrants, whose racial/ethnic and skill-level profiles differ sharply from the rest of the population.
2. Much different migration patterns among lower-income or poor domestic migrants, who gravitate to states and metropolitan areas that are not attracting immigrants.¹
3. An apparent “immigrant push” of domestic migrants away from areas of high immigration, which is most evident among less-skilled and lower-income long-term residents and their children.

My colleagues and I have explored aspects of these processes in research using census data and, for the years 1990–1995, the annual Current Population Surveys.² Here I briefly review evidence regarding the extent to which immigration to a few port-of-entry states is influencing the composition and internal migration of the poor, and indicate some consequences of that immigration for the geography of poverty, especially child poverty.

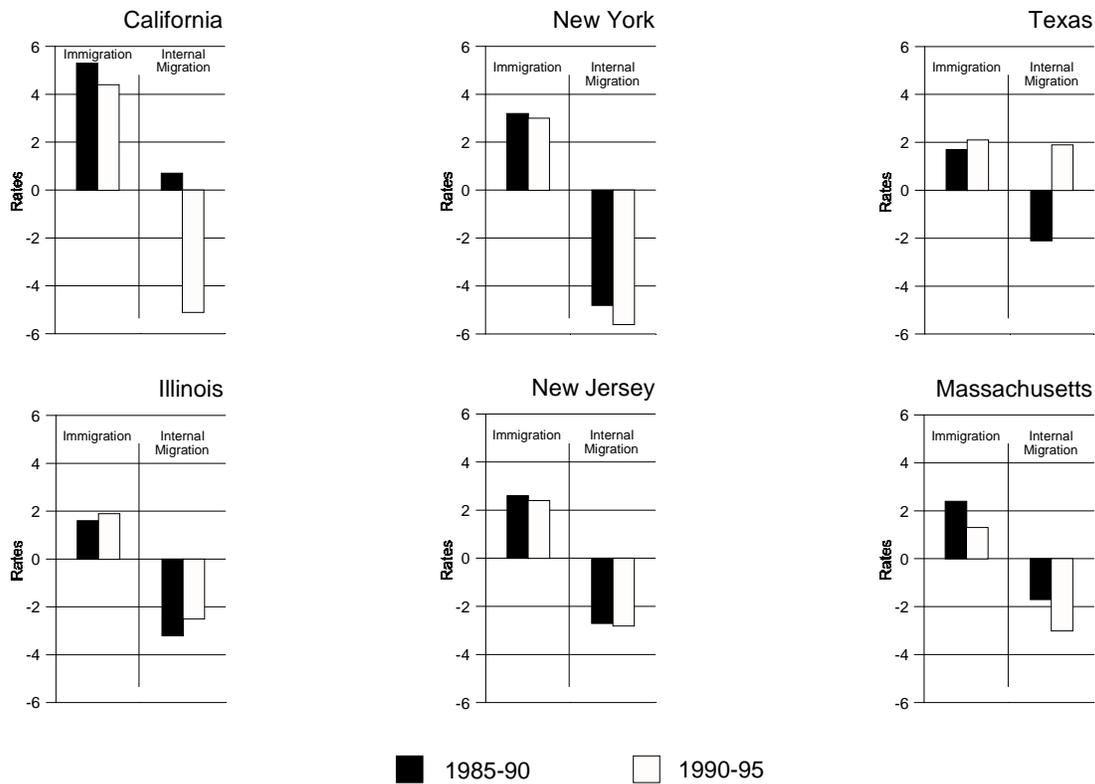


Figure 1. Immigration and internal migration rates for high-immigration states, 1985–95.

Source: U.S. Census, 1990, and U.S. Census postcensal estimates.

Table 1
Net Internal Migration Rates of the Native-Born for High-Immigration States, by Selected Social and Demographic Categories

Categories	California		New York		Texas		Illinois		New Jersey		Massachusetts	
	1985–90	1990–94	1985–90	1990–94	1985–90	1990–94	1985–90	1990–94	1985–90	1990–94	1985–90	1990–94
Race												
All races	0.7	-2.3	-4.8	-5.0	-2.1	0.9	-3.2	-0.3	-2.7	-3.2	-1.7	-2.2
Non-Hispanic												
whites	0.7	-4.2	-4.4	-4.1	-2.6	1.3	-3.1	0.1	-3.4	-3.1	-2.3	-1.9
Blacks	1.1	4.6	-5.7	-7.8	0.5	-1.6	-3.8	0.6	-1.1	-3.8	1.0	3.4
Education^a												
Less than HS	-0.8	-2.1	-3.7	-6.7	-1.9	0.5	-2.5	-0.3	-2.1	-4.6	-1.7	-3.7
HS graduate	-1.4	-4.5	-4.5	-3.8	-2.6	1.8	-2.7	-0.1	-2.6	-1.7	-2.8	-1.1
College graduate	3.4	-2.3	-5.9	-3.7	-1.8	3.3	-2.6	-1.8	0.8	-0.6	-2.1	-1.7
Poverty Status												
Not in poverty	0.8	-2.5	-4.8	-4.7	-2.1	1.5	-2.6	-0.6	-1.5	-2.6	-2.2	-2.0
In poverty	-1.7	-1.5	-4.7	-6.8	-2.3	-2.1	-5.2	1.5	-10.1	-8.3	-0.4	-3.3

Source: Compiled by author from special 1990 U.S. Census migration tabulations (1985–90) and from single-year migration tabulations of the U.S. Census Current Population Survey, 1990–1995.

^aAged 25 and above.

Immigrants and internal migrants

Immigration and internal migration are driven by very different motivations. Research suggests that immigration from foreign countries tends to occur in “chains” which link family members and friends to common destinations. This is especially the case for lower-skilled immigrants, who are much more dependent upon those informal networks to find jobs and shelter in traditional port-of-entry areas. Internal migrants, in contrast to immigrants from abroad, have tended to be less constrained in their destinations, more apt to respond to pushes and pulls of the labor market. They also have tended to be drawn from the segment of the labor force that has high incomes, high education, and higher-skilled, more specialized occupations—the group most responsive to national income and employment opportunities. This pattern of internal migration has been characterized as a “circulation of elites,” in which employment-gaining states attract higher rates of nonpoor than of poor migrants, and population-losing states lose residents disproportionately from among their younger nonpoor and college-graduate populations.

High-immigration states may, of course, also be high-internal-migration states. For most of this century, the port-of-entry areas for immigrants were also attractive employment centers for internal migrants, so that these areas grew from both sources of migration. In the past decade, this has changed. Between 1985 and 1995, the six states with the highest numbers of new immigrants—California, New York, Texas, Illinois, New Jersey, and Massachusetts—have undergone major outmigration of the native-born population (see Figure 1). Moreover, domestic migration from states receiving high numbers of immigrants has not conformed to the traditional “circulation of elites” pattern.³ Instead, it disproportionately occurred among high school graduates, high school drop-

outs, and lower-income residents. And it occurred in high-immigration states that were doing relatively well economically and that in some cases were attracting more highly educated, highly skilled domestic migrants. This was true, for example, in California in the late 1980s, before the 1989–92 recession and the downturn in defense-related industries, and in Texas in the early 1990s, after the recovery from the oil-related recession (see Table 1).⁴ Internal migration has nevertheless remained very sensitive to economic ebbs and flows, as is clear when one looks at the high-immigration metro areas. Los Angeles, for instance, was especially hard hit in the early 1990s by recession, defense cutbacks, and natural and human disasters and the net outmigration that began in the late 1980s accelerated from 1992 to 1995; in Houston, however, the economy rebounded in the early 1990s, leading to domestic migration gains.

Is there an “immigrant push”?

The observation that poor internal migrants are disproportionately leaving high-immigration states is not by itself sufficient to prove that immigrants are “pushing out” low-income workers. A number of researchers have argued that relatively low-skilled immigrants compete with low-skilled and less-well-educated native-born workers for jobs, bidding down wages and taking away employment opportunities. Indeed, outmigration from high-immigration states is most pronounced among poor men and women in the prime labor-force years, ages 25 to 54, and among children aged 5–14, moving with their families. Some possible consequences of large immigrant flows for the low-wage workforce are discussed in the following article by Franklin Wilson. But labor market competition may not be the only reason that lower-income residents show a propensity to move away from high-immigration areas. Their decision to leave may rep-

resent a response to the perceived higher social costs or disruption associated with rapid demographic change and the increased racial and ethnic diversity of these areas. Correctly or not, longer-term residents in high-immigration states may hold the perception that the new immigrants contribute to a variety of social costs—higher crime rates, heavily impacted services, and increased taxes, bearing most heavily on lower- and middle-class residents. Racial and ethnic prejudice may play a role, replicating, on a metropolitan or statewide scale, the kind of exodus to the suburbs precipitated by earlier waves of immigration and the migration of African Americans from the South to the cities of the North.

The belief that immigration “push” is a factor in domestic migration of the poor finds support in the extent to which the six high-immigration states have continued to dominate the net national outmigration of poor families in the 1990s.⁵ In our multivariate analyses of internal migration patterns for metropolitan areas, we introduced into the analysis such relevant economic and “amenity” variables as manufacturing and service growth, the unemployment level, income per capita, level of public assistance benefits, and rate of violent crimes. Nevertheless, the size of immigration from abroad still exerted a significant effect on net domestic outmigration that is strongest for persons in poverty and for those with less than a college education. For example, New Jersey is a high-immigration state which experienced a net outmigration among the nonimmigrant population in the early 1990s: among the poor population, net outmigration was 8.3 percent, among the nonpoor, 2.6 percent. Using education rather than poverty status as a marker, we find similar patterns: white persons with less than a high school education showed a net outmigration rate of 3.3 percent, compared with a net outmovement among college graduates of less than 1 percent.

There are other possible explanations for the outmigration of the poor from high-immigration areas. It has, for instance, been argued that the negative relationship between immigration and internal migration that is visible in large metropolitan areas like New York and Los Angeles simply reflects global structural forces at work. These cities, the argument proposes, have become centers of the advanced financial and business services that play a key integrating role in the new global economy and that are highly polarized in their wage structures. At the same time, the cities have seen dramatic declines in traditional production-oriented manufacturing. Thus native workers leave in response to the loss of high-wage manufacturing jobs, whereas immigrants arrive in response to the growth of low-wage unskilled service jobs. This theory rests heavily on the assumption that immigration responds fairly freely to changes in the demand for low-wage labor. Illegal immigration to the United States may do so, but legal immigration is constrained, to a large degree, by the presence and location of already resident family members.⁶ More-

over, the greatest declines in manufacturing jobs in these metropolitan areas occurred during the 1970s and early 1980s, yet low-wage workers and the poverty population continued to leave in subsequent years.

Another explanation for patterns of internal migration among the poor that competes with the “immigrant push” theory has been “welfare magnet pull”—that poor people are attracted to states with generous welfare benefits. There is some evidence for this. The six highest welfare benefit states between 1985 and 1990 were Vermont, Wisconsin, Washington, Minnesota, Oregon, and Utah.⁷ Three of them, Washington, Oregon, and Wisconsin, are among the top ten gainers of poor migrants, and all three attracted more poor than nonpoor migrants. High welfare benefit states do not dominate, but they gain more poor than nonpoor whites and African Americans.⁸ Our analyses found that high welfare benefits exercised an attractive effect, especially upon poor female migrants of all ages, though the least effect was for women with the lowest levels of education. But the overall contribution of these benefits in explaining the destination choices of poor migrants appeared to be minimal, compared to other possible reasons. To take just one example: racial or ethnic similarity had a much more significant attractive

Table 2
Characteristics of Foreign-Born Residents of High-Immigration U.S. Metropolitan Areas, 1995 (in percentages)

Characteristic	Los Angeles CMSA	New York CMSA	10 High-Immigr. CMSAs	Rest of U.S.
Education				
College graduate	21	20	20	8
Some college	25	23	21	5
HS graduate	21	24	18	4
Less than HS	56	38	38	7
Family Income				
Top 25%	23	15	17	5
Second 25%	34	29	25	4
Third 25%	47	34	34	6
Bottom 25%	61	47	45	9
Occupation: Men				
Mgr. & prof.	19	20	17	5
Clerical & sales	31	23	22	4
Service	55	36	40	7
Precision prod.	48	30	30	5
Blue-collar	58	41	40	7
Occupation: Women				
Mgr. & prof.	20	18	16	4
Clerical & sales	22	17	17	3
Service	51	41	38	6
Precision prod.	52	65	41	6
Blue-collar	71	66	53	8
Total aged 18 or over	38	28	27	6

Source: Compiled by the author from U.S. Census Bureau Current Population Survey data for 1995.

Note: Area definitions for these metro areas are consistent with Office of Management and Budget standards of June 1990. Education percentages for population aged 25–64; family income for those aged 18 and above; occupation for those aged 16 and above.

effect, especially for poor American Indians and for Asian and Hispanic poor migrants of low educational status.

In general, however, the number of destination states chosen by the poor population leaving high-immigration states was relatively large and diffuse. The labor market and climate were both significant factors, as they were for the nonpoor. States that gained internal migrants from the poor population were a mix among those with a relatively high growth in service industry employment—Florida, North Carolina, Georgia, Tennessee—and retirement magnets. Some migration reflected a spillover movement to nearby states of poor migrants leaving California (for Washington, Oregon, and Arizona) or Illinois (for Wisconsin). Some choices may have signaled a return to places of origin. Poor African Americans and whites made rather different destination choices, which reflect, in part, the different geographic concentration and historic roots of the two races. Poor African Americans, for example, were more likely to relocate to the South Atlantic region, especially Georgia and North Carolina. These findings tend to confirm research that suggests that because poor people are more apt to rely upon informal channels of information about jobs, the presence of friends and relatives may be at least as important as more formal and more national channels of job search in their decisions about where to move.⁹

Effects of differential migration patterns

One important, and very new, consequence of the different patterns of immigration and internal migration is the emergence of entire metropolitan areas or labor market regions that are distinct in their racial, ethnic, and demographic makeup from the rest of the country. Over two-thirds of all immigrants since 1985 have located in 10 metropolitan areas, where some 60 percent of the foreign-born but less than 25 percent of all Americans now live.¹⁰ For these metros, the 1995 foreign-born population comprised a disproportionate share of persons without high school degrees, in the lowest quartile of family income, and of workers in service and unskilled blue-collar occupations (see Table 2). The imbalance is most pronounced in the Los Angeles metropolitan area where, for example, foreign-born residents comprise three-fifths of those whose family incomes fall into the bottom quartile, and hold over half the service and unskilled blue-collar jobs, but account for no more than one-fifth of managerial and professional jobs.

For the high-immigration states themselves, the scale and nature of foreign immigration and the outmigration of low-income families, both native-born or longer-term immigrants, have large consequences for social welfare programs. Between 1985 and 1990, 34 states received more poor migrants through immigration than they did through net internal migration. California, in particular,

gained approximately nine times as many poor migrants from abroad as it lost through internal migration to other states.

Two consequences are noteworthy. The first is the direct contribution of immigrants to the volume of poverty in the United States because of their own relatively high levels of poverty. The second is the demographic displacement taking place among the poor population. Both are most clearly visible when one examines poverty among children. In 24 states, 1990 census data show, foreign immigration either added to the state's population of poor children, or maintained existing levels of child poverty that would otherwise have diminished in the state through internal migration to another state.¹¹ For example, in New York from 1985 to 1990, 33,724 poor children moved to other states, and 32,699 poor immigrant children moved in. Thus the population of poor children declined by only 1,025.

To give fuller understanding of the significance of these changes, Table 3 shows California's experience from

Table 3
Contribution of 1985–90 Immigration and Net Internal Migration to Child Poverty Population in California, 1990

Demographic Categories	Immigration from Abroad	Net Internal Migration
Total	8.4	-1.3
Race/Ethnicity		
Whites	5.2	-6.8
Blacks	0.9	-1.2
Hispanics	9.3	-0.7
Asians	20.2	7.2
Family Type		
Married couple	13.5	-1.3
Male head	7.5	-1.6
Female head	3.2	-1.3
English Language		
English not good	24.7	1.4
English good	9.8	0.8
Only English at home	0.7	-4.3
Nativity		
Native-born, native parent	—	-3.9
Native-born, foreign parent	—	0.2
Foreign-born	39.0	1.8
Hispanics		
Native-born, native parent	—	-1.0
Native-born, foreign parent	—	-0.7
Foreign-born	35.9	-0.4
Asian		
Native-born, native parent	—	-3.1
Native-born, foreign parent	—	7.7
Foreign-born	37.8	7.3

Source: 1990 U.S. Census.

Note: Poverty status of migrants and residents was determined from 1989 incomes, as reported in the 1990 U.S. Census. Each gain or loss is shown as a percentage of each group's population in 1990. The total number of poor immigrant children arriving in California between 1985 and 1990 was 100,754. Over that five-year period California suffered a net loss of 16,004 poor children through outmigration to other states.

1985 to 1990. The data make it clear that the demographic displacement of California's child poverty population affects race and ethnicity, English-language proficiency, nativity, and family type. Poor children who are leaving are predominantly white, English-speaking, and native-born with native-born parents. The new immigrant population of poor children is dominated by Hispanic and Asian children who speak a language other than English at home. They are also more likely to live in two-parent than in single-parent families. These differences are a strong argument against one-size-fits-all social welfare policies and in favor of localized programs, which in some areas might concentrate on assimilation and bilingual education in the schools, and in others on the problems of female-headed families who need access to jobs and schooling. ■

¹By "poor," I mean those individuals or families whose incomes place them at or below the relevant federal poverty level. Census data allow us to determine poverty only at one point in time. Thus individuals in poverty during the year preceding the Census are not necessarily poor throughout the entire period.

²W. H. Frey, "Immigration Impacts on Internal Migration of the Poor: 1990 Census Evidence for the US States," *International Journal of Population Geography*, 1, no. 1 (1995): 51–67 (also available as IRP Reprint 733); W. H. Frey, K.-L. Liaw, Y. Xie, and M. J. Carlson, "Interstate Migration of the US Poverty Population: Immigration 'Pushes' and Welfare Magnet 'Pulls,'" *Population and Environment* 17, no. 6 (July 1996): 491–538; W. H. Frey, "Immigration, Welfare Magnets, and the Geography of Child Poverty in the United States," Population Studies Center Research Report 95-339, University of Michigan, November 1995; W. H. Frey, "Immigration, Internal Out-Movement, and Demographic Balkanization in America: New Evidence for the 1990s," Population Studies Center Research Report 96-364, University of Michigan, April 1996; W. H. Frey and K.-L. Liaw, "The Impact of Recent Immigration on Population Redistribution within the United States," Population Studies Center Research Report, University of Michigan, forthcoming.

³Internal migration among the nonpoor has continued to follow this traditional pattern: states gaining nonpoor residents have tended to have growing economies, states losing nonpoor residents to have declining economies. For instance, Virginia and Maryland, in the prosperous South Atlantic region, were among the top ten magnets for the nonpoor population in 1990, and the economically dynamic state of Georgia ranked second to Florida in attracting nonpoor residents. Among states losing nonpoor populations were Michigan and Ohio, in the then deindustrializing rust belt, Oklahoma, which was experiencing oil industry difficulties, and Iowa, with farming downturns during this period. One possible explanation for the different migration patterns of the nonpoor and the poor populations is that they are operating in a somewhat different labor market where the effects of recent immigration may actually complement rather than compete with their employment opportunities (Frey et al., "Interstate Migration of the US Poverty Population," pp. 500–501; Frey, "Immigration Impacts," p. 53).

⁴Florida, though a high-immigration state, is excluded from the definition, because internal migration rather than immigration dominates its population gain. Between 1990 and 1995, for instance, Florida received 245,482 immigrants, making it the fourth largest receiving state for immigrants, but it also received 615,670 internal migrants, making it the largest destination state for internal migration.

⁵See, in particular, Frey, "Immigration, Internal Out-Movement, and Demographic Balkanization," appendix tables.

⁶P. Martin and E. Midgley, "Immigration to the United States: Journey to an Uncertain Destination," *Population Bulletin* 49(2), Sept. 1994.

⁷Based on average combined annual AFDC and Food Stamp benefits, 1985–88, adjusted for state variations in cost of living, and excluding New York and California, two high-immigration states, and Alaska and Hawaii.

⁸Among Hispanics and Asians, the greatest gaining and losing states for the poor population are not distinctly different from those for the nonpoor population. Patterns do not appear to reflect the influences of either immigrant "pushes" or welfare benefit "pulls" as much as they do for blacks and whites. For native-born and longer-term Asians and their families, California represents the dominant destination, for Hispanics, Florida.

⁹Nonpoor migrants, in contrast, were disproportionately attracted to economically prosperous and mainly coastal states—a true migration "pull."

¹⁰High-immigration metropolitan statistical areas (MSAs) in 1990–95 were Los Angeles, New York, San Francisco, Chicago, Miami, Washington, D.C., Houston, San Diego, Boston, and Dallas. Historically, the disproportionate concentration of immigrants to the United States in a few ports of entry is nothing new. There is, however, some evidence that the kinds of dispersion to other parts of the country that occurred when previous immigrant flows assimilated is less likely to occur with the present-day immigrant groups. See, e.g., Figure 1 in Frey and Liaw, "The Impact of Recent Immigration."

¹¹See Frey, "Immigration, Welfare Magnets, and the Geography of Child Poverty," Appendix Table A.

Two new studies of immigration by the National Research Council

The Health and Adjustment of Immigrant Children and Families: A study committee of the Board on Children, Youth, and Families

More than a million foreign-born children came to the United States from 1987 to 1990. What were their health care needs, and how were they met? Immigrant children and their families tend to receive a patchwork of health care services, with eligibility dependent upon the conditions under which they entered the United States. Amid growing efforts in some states to pare back available public health care benefits (including prenatal care and immunizations) for immigrants, the health status of immigrant children and their families has become an issue of considerable interest to policy makers and practitioners.

In this context, the Board on Children and Families is convening a committee that will conduct a study that synthesizes data and develops a framework for clarifying what is known about differential health outcomes of various immigrant groups, the varying trajectories that now characterize the development of immigrant children, and the effective delivery of health and mental health services to these groups. Over 24 months, the project will synthesize the relevant research literature and support the secondary analysis of existing datasets (e.g., the 1990 Census) to supplement the available research on immigrant children and families, as well as assess the adequacy of existing data and make recommendations for new data collection and research needed to inform and improve public policy and programs.

The study is presently sponsored by the U.S. Department of Health and Human Services, the National Institute of Child Health and Human Development, the Rockefeller Foundation, the W. T. Grant Foundation, and the Carnegie Corporation of New York. For further information, contact Donald J. Hernandez, study director, at (phone) 202-334-3829 or (e-mail) dhernand@nas.edu

The Demographic and Economic Impacts of Immigration: A panel study by the Committee on Population and the Committee on National Statistics

The Immigration Act of 1990 created the U.S. Commission on Immigration Reform, which is mandated to submit a final report in 1997 that assesses U.S. immigration policy and makes recommendations regarding its implementation and effects. To assist in formulating its recommendations, the Commission asked the two NRC committees to study three interrelated issues: (1) the effect of legal and illegal immigration on the future size, composition, and geographic distribution of the resident population; (2) the impact of immigration on the economy, in particular on national and regional labor markets; and (3) the fiscal impacts of immigration on federal, state, and local governments. The final report is expected to be released in late May 1997. For further information, contact Barry Edmonston, study director, or Joel Rosenquist, administrative assistant, at (phone) 202-334-3167 or (e-mail) bedmonst@nas.edu

Previous studies by the Committee on Population and the Committee on National Statistics for the U.S. Commission on Immigration Reform may be ordered from the National Academy Press, 2101 Constitution Avenue NW, Washington, D.C. 20418, or by calling (800) 624-6242.

Barry Edmonston, ed., *Statistics on U.S. Immigration: An Assessment of Data Needs for Future Research*. Washington, D.C.: National Academy Press, 1996.

This report summarizes the discussions and conclusions from a two-day workshop on the collection and preparation of data dealing with immigration in the United States. The report deals with trends in U.S. immigration, social effects of immigration and assimilation, labor force issues, family and immigration networks, immigration data needs, and the potential for longitudinal studies of immigrants.

Barry Edmonston and Ronald Lee, eds., *Local Fiscal Effects of Illegal Immigration: Report of a Workshop*. Washington, D.C.: National Academy Press, 1996.

This report summarizes the discussions at a one-day workshop held at the request of the U.S. Commission on Immigration Reform. The report reviews six recent case studies that assess the net fiscal impact of illegal immigration on state and local public services, considering the assumptions about the number and characteristics of illegal immigrants, about estimates of the fiscal effects of selected public services for illegal immigrants, and about the possible employment displacement effect of illegal immigrants on residents.

Immigration and labor market outcomes for native workers

Franklin D. Wilson and Gerald Jaynes

Franklin D. Wilson is Professor of Sociology at the University of Wisconsin–Madison and Gerald Jaynes is Professor of African-American Studies and Economics at Yale University

Repeated surveys indicate that most Americans believe that immigrants take jobs from natives and force wages down. But as with so many other facets of immigration, the evidence on this issue is at best uncertain. Most cross-sectional studies of intermetropolitan variation in the employment and earnings of natives have found few or no adverse effects from immigration. There is no evidence that the labor market status of white-collar and skilled blue-collar workers has been adversely affected by the influx of immigrant workers. But the story may be different for unskilled workers. David Jaeger estimated that the increase in immigrants' share of the labor force during the 1980s accounted for 6 percent of the increase in the difference between the wages of high school graduates and those of college graduates. George Borjas and his colleagues concluded that immigrants with lower educational attainment were partly responsible for the relative decline in the wages of native workers with similar levels of education; Borjas also concluded that the skill levels of recent immigrants have declined substantially, leading him to suggest that these wage effects may be long-term.¹

There are a number of reasons that immigration might affect unskilled native labor differently from skilled labor. First, the demand for skilled workers has continued to increase, allowing skilled immigrants to be absorbed into labor markets. Second, skilled native workers, fluent in the English language and familiar with the customs and culture of the U.S. workplace, enjoy a decisive advantage over most immigrants in the labor market—an advantage reinforced by apprenticeship, certification, and licensing requirements. Finally, there is some evidence that, because immigrants increase the demand for goods and services, their arrival can increase employment opportunities for skilled native workers.²

Little or no training is required for unskilled jobs. Thus immigrants are more easily substituted for unskilled native workers. And given that employment opportunities for unskilled blue-collar workers have declined, immigrants have some potential advantages. One explanation for this lies with employer preferences, another with

worker preferences.³ The first posits that immigrants may be willing to work for less than native-born workers; they are also presumed to be less militant about labor issues such as wages, benefits, and working conditions, because they have fewer alternative means of support and their expectations about pay are lower than those of native-born workers. Moreover, once immigrants establish a presence in an industry or occupational niche, their numbers tend to increase through referral and networking. In this context, immigrants may become preferred workers, particularly in industries with low profit margins and few options for employers to relocate, such as construction or janitorial services.

The second explanation for immigrant advantages in the low-skilled labor market is that immigrants are willing to take jobs that natives will not take, because wages are too low and working conditions too onerous, and they have other resources. At least partial support for this explanation exists in the high joblessness found among native workers in cities where blue-collar manufacturing jobs have declined but low-wage service jobs have increased and have been taken by immigrants (Los Angeles is a prime example).

Analyses of immigrants' labor market effects have been based on a simple idea. If immigration has negative effects, then employment conditions for native workers should be worse in areas with relatively more immigrant workers, when other economic factors are held constant. Much research, therefore, has compared the wages of native workers in labor markets with few immigrants to those in labor markets with many immigrants. But few studies have reported reductions in wages or increased joblessness among native workers of more than 2 percent.⁴

The article in this issue by William Frey suggests one reason for this: native workers whose wages or employment would have been worsened by immigrant competition are leaving high-immigration areas. If this is so, the comparative model has underestimated the effects of immigration, for two reasons. First, the average employment conditions of native workers in high-immigration areas rise when the most severely affected leave. Second, those leaving high-immigration areas may increase the labor supply and worsen employment conditions in their areas of destination. Estimates of the effects of immigration on native workers must, therefore, explicitly take into account domestic migration also. Poorly educated and unskilled native workers can also migrate and compete effectively against long-term residents who have similar skills and experience.

The U.S. labor market is highly diverse, segregated by ethnicity and gender as well as by education. We should, therefore, expect that ethnically heterogeneous immigrant flows would have differential effects on the varied native workforce. But much existing work on the labor market effects of immigrants has relied on highly aggregated data that conceal those structural features of labor markets that influence intergroup competition. Immigrant workers, for example, seldom identify or organize themselves in social networks as “immigrants.” Rather, they organize within ethnic or national categories, forming Korean, or Pakistani, or Salvadoran networks that play an important role in determining where and for what jobs their members compete. The existence of such networks suggests that many immigrant and native-born groups may not compete with each other at all, whereas other groups may be quite competitive. The wages and employment of the native-born members of noncompeting groups may be unaffected or even enhanced, and those of competing groups may be worsened. Statistical analyses of the effects of the composite category “immigrants” on the composite category “native-born” may, on average, find no effect, precisely because the averages conceal important differences among groups. Thomas Espenshade, for example, found that “immigrants” had no effect on the wages of African Americans in New Jersey, but that Puerto Ricans did.⁵ To capture the true effects, estimates of the effects of immigration must disaggregate the data by ethnic group, region, and industry.

In this article, we report the results of research that used ethnic/immigrant and occupational categories as a basic element in the analysis.⁶ By combining 1980 and 1990 census data with data from other sources such as the Survey of Income and Program Participation (1984 and 1987 panels) and Census Bureau estimates of immigration and net internal migration, we computed the effects of immigration on native workers, and the effects of internal migration on both native and immigrant workers. Specifically, we estimated the contribution of immigration to variation in joblessness and wages for six ethnic and immigrant groups within industry and occupational groupings in 52 major metropolitan areas. We used native-born Asian, non-Hispanic black, non-Hispanic white, and Hispanic ethnic groups, and two immigrant groups: immigrants who have been in the United States for less than 11 years, and long-term immigrants—those in the United States for more than 10 years. Concentrations of the foreign-born vary within industries and occupations; of necessity, we used fairly broad categories for both. Our three major industrial sector categories are (1) construction and manufacturing; (2) transportation, utilities, wholesale and retail trade, entertainment and personal services; and (3) finance, insurance, real estate, business services, professional services, and public administration. Our four major occupational categories are skilled and semi-skilled white-collar workers, and skilled and semi-skilled blue-collar workers. Competition between natives and immigrants, and the subsequent dis-

placement of native workers, cannot occur unless members of the two groups work in similar industries and occupations. Thus we expected joblessness and wages to be lower among immigrants than among native workers in industrial sectors in which immigrants were highly concentrated or where their percentage of the workforce was increasing.⁷

Metropolitan areas differ in the share of their population held by ethnic-minority groups and in the origin and composition of immigrant groups. So native workers may encounter immigrants of very different origins with very different migration histories, and these attributes form part of the context within which they interact in local labor markets. We selected metropolitan areas that had at least 1,000 respondents who were native-born African Americans, Hispanics, or Asians in the 1990 Census 5 percent Public Use Microdata Samples, that had at least 500 foreign-born respondents, and for which our other data sources also provided information. We expected to find that in particular metropolitan areas, high levels of net in-migration by African Americans, Hispanics, and Asians—both internal migrants and immigrants—would increase the level of joblessness among native workers and would lower their wages.

Jobs. Table 1 presents the mean probability of joblessness for ethnic/immigrant groups in the four occupational categories in 1990; it also estimates the extent to which joblessness increased between 1980 and 1990. Both gross means and net means are given; the net means represent the effect of group membership, net of differences in human capital and demographic attributes. In three occupational categories, skilled and semi-skilled white-collar work and skilled blue-collar work, recent immigrants are the most disadvantaged. Their situation is comparatively better only in the lowest-income category, semi-skilled blue-collar workers; in this category, African Americans, closely followed by Hispanics and Asians, had the highest levels of joblessness. Between 1980 and 1990, the gross probability of joblessness increased for some groups in all occupational categories except for skilled white-collar workers; African Americans especially saw increased joblessness in three out of the four occupational groups. Yet net mean joblessness *declined* substantially for all occupations and ethnic groups, indicating that, whatever the causes of the increased joblessness, it had little to do with immigrant competition.

Wages. Table 2 reports gross and net mean hourly wages, by ethnic group and immigrant category, for 1990, and the changes between 1980 and 1990. The gross hourly wages of recent immigrants are the lowest of all groups in three of the four occupational categories (excluding skilled white-collar workers). The pattern is not nearly so distinct for net wages, where the variation within the occupational groups is not great. Between 1980 and 1990, the gross hourly wages of blue-collar workers,

Table 1
Mean Probability of Joblessness by Occupation and Ethnicity:
1990 and 1980–90 Change

Occupational Category and Ethnic/Immigrant Group	Mean Probability of Joblessness: 1990		1990/1980 Ratio	
	Gross	Net	Gross	Net
Skilled White-Collar				
Non-Hispanic White	.079	.040	.929	.645
Non-Hispanic Black	.092	.041	.893	.506
Hispanic	.089	.053	.937	.757
Asian	.072	.035	.947	.583
Immigrant <11 yrs	.131	.100	.949	.578
Immigrant >10 yrs	.075	.046	1.000	.568
Semi-skilled White-Collar				
Non-Hispanic White	.144	.056	.878	.615
Non-Hispanic Black	.202	.068	1.069	.602
Hispanic	.175	.064	.967	.674
Asian	.142	.048	1.127	.676
Immigrant <11 yrs	.165	.101	.959	.584
Immigrant >10 yrs	.140	.055	1.000	.524
Skilled Blue-Collar				
Non-Hispanic White	.107	.050	.907	.510
Non-Hispanic Black	.181	.075	1.023	.475
Hispanic	.145	.067	1.051	.620
Asian	.104	.046	.946	.460
Immigrant <11 yrs	.121	.082	.877	.594
Immigrant >10 yrs	.119	.078	1.072	.582
Semi-skilled Blue-Collar				
Non-Hispanic White	.161	.073	1.376	.594
Non-Hispanic Black	.231	.092	1.041	.548
Hispanic	.208	.086	1.051	.657
Asian	.180	.081	1.132	.596
Immigrant <11 yrs	.164	.074	.937	.451
Immigrant >10 yrs	.170	.078	1.043	.614

Source: 1980, 1990 PUMS. Values are averages for 52 Metropolitan Statistical Areas and three major industrial sectors. Net values are transformations of coefficients obtained from estimated equations which included other variables known to affect joblessness and hourly wages, such as education, experience, marital status, gender, and work-related disability.

particularly immigrants, declined. The decline in net wages was greater than in gross wages, indicating that wages were less responsive to group membership than they were to other factors known to affect wages

Are immigrants a substitute labor supply?

The results in Tables 1 and 2 present a mixed picture. Asians and whites, on average, are the most advantaged groups, African Americans, Hispanics, and recent immigrants the least advantaged, when it comes to employment and wages. But are the relative fortunes of these groups linked through changes in local labor market structure and conditions? Is there evidence that immigrants are a substitute labor supply, or that immigration, as a major source of change in the labor supply of local areas, worsens employment outcomes for native workers?

Table 2
Mean Hourly Wages by Occupation and Ethnicity:
1990 and 1980–90 Change

Occupational Category and Ethnic/Immigrant Group	Mean Hourly Wages (\$)		1990/1980 Ratio	
	Gross	Net	Gross	Net
Skilled White-Collar				
Non-Hispanic White	14.418	2.983	1.025	.767
Non-Hispanic Black	12.361	2.753	1.029	.786
Hispanic	11.444	2.744	1.024	.751
Asian	14.366	3.094	1.044	.750
Immigrant <11 yrs	12.021	2.848	.995	.687
Immigrant >10 yrs	14.938	3.106	1.016	.792
Semi-skilled White-Collar				
Non-Hispanic White	8.860	2.285	1.034	.744
Non-Hispanic Black	7.679	2.105	1.040	.768
Hispanic	7.487	2.144	1.032	.732
Asian	9.147	2.369	1.038	.744
Immigrant <11 yrs	6.562	2.029	.946	.705
Immigrant >10 yrs	8.413	2.151	.991	.747
Skilled Blue-Collar				
Non-Hispanic White	11.670	2.457	.948	.727
Non-Hispanic Black	10.081	2.191	1.013	.744
Hispanic	9.759	2.249	.976	.739
Asian	12.363	2.639	.970	.849
Immigrant <11 yrs	7.420	2.230	.898	.722
Immigrant >10 yrs	10.599	2.275	.883	.667
Semi-skilled Blue-Collar				
Non-Hispanic White	8.907	2.062	.858	.684
Non-Hispanic Black	8.016	1.936	.949	.729
Hispanic	7.558	1.959	.948	.704
Asian	8.784	2.008	.925	.663
Immigrant <11 yrs	5.849	1.845	.879	.671
Immigrant >10 yrs	7.767	1.905	.876	.628

Source: 1980, 1990 PUMS. Values are averages for 52 Metropolitan Statistical Areas and three major industrial sectors. Net values are transformations of coefficients obtained from estimated equations which included other variables known to affect joblessness and hourly wages, such as education, experience, marital status, gender, and work-related disability.

Specifically, we explored whether three factors—(1) changes in the white population, (2) net migration and immigration flows, and (3) changing concentrations of foreign-born workers in an industry sector—affected the difference in joblessness and in hourly wage rates between native and foreign-born workers in metropolitan areas. Do such effects vary across occupational groups, as previous research has suggested?

1. In metropolitan areas where the white population increased, joblessness decreased among all groups of Hispanic and Asian workers, and among immigrant skilled white-collar workers. For all other groups, except for skilled white-collar African Americans, it was stable.⁸ Metropolitan areas with growing white populations are likely to be areas of economic growth, perhaps sufficient to absorb nontraditional workers who possess the skills that are in demand.

2. With two notable exceptions, neither net minority migration nor the immigrant share of that migration affected

changes in joblessness within ethnic groups and occupational categories. The two exceptions both involve immigrant white-collar workers. As internal migration and immigration increased, long-term immigrants who were skilled white-collar workers faced a *higher* likelihood of joblessness; as immigration alone increased, recent immigrants who were semi-skilled white-collar workers faced a *lower* likelihood of joblessness. We found no evidence to support the hypothesis that internal or international migration affects employment outcomes for native workers in metropolitan areas. In particular, native blue-collar workers experienced no increase in the risk of joblessness in those metropolitan areas that saw large inflows of immigrants and internal migrants.

3. Analysis of immigrant flows will capture only part of the effect of immigration. Another potentially important source of immigrant effect is the extent to which the foreign-born are concentrated in particular industries; it is there that displacement and declining wages may occur.

Jobs. We examined the effects on employment of increasing concentrations of the foreign-born in three major industrial sectors. For white-collar workers, the effects were marginal and mixed. For blue-collar workers, there were clear effects, though they were not all in the same direction. In general, increases in the concentration of foreign-born workers in an industry sector between 1980 and 1990 *increased* the odds of joblessness for blue-collar workers who were white, African American, Asian, and long-term immigrants, but *decreased* the risk for those who were Hispanic and for recent immigrants.

Note that the findings for blue-collar workers point to general increases in joblessness among some groups of native workers not in response to immigration flows into a metropolitan area, but as a result of rising concentrations of foreign-born workers in an industrial sector. These findings suggest that immigrants are indeed a substitute labor supply that can displace native workers, once their concentration in an industrial sector is sufficient to change the structure of employment relations in that sector through wages, work conditions, or network recruitment patterns.⁹

Wages. Intermetropolitan variation in wages was responsive to both the internal migration and immigration that occurred between 1980 and 1990. The wages of white-collar and skilled blue-collar workers were unaffected by increases in either net internal migration or immigration. The wage effects for semi-skilled blue-collar workers were clear, but again they were mixed. As the flows of immigrants to metropolitan areas increased, wages increased appreciably for whites and Hispanics, decreased for Asians and immigrants, and were unaffected in the case of African Americans. But increasing concentrations of the foreign-born in particular industry sectors

did not affect the wages of semi-skilled blue-collar workers in *any* of the ethnic or immigrant groups.

Conclusions

Public beliefs notwithstanding, the interactions among immigration and internal migration, joblessness, and wages of native and foreign-born workers present no simple or straightforward story, when one begins to tease apart the broad categories of “immigrant” and “native-born” into more precise regional, occupational, and industrial categories. As one example of this complexity, consider the wages of semi-skilled blue-collar workers. These were affected by both the internal migration and the immigration of minority workers. But the wages of whites went up in response to net internal migration, whereas those of native-born Asians went down. And whereas net immigration of minorities raised the wages of whites and Hispanics, it lowered those of immigrants and Asians.

The results associated with the effects of industry concentrations of immigrants on joblessness and wages among native workers require further study, using more refined measures of industrial concentration. Our measure of concentration based on industrial sectors is simply too broad to apply a theoretically based substantive interpretation. These preliminary results, however, suggest the importance of this line of research and we are currently continuing it. The results for employment are consistent with the hypothesis that the presence of immigrants reduces opportunities for native workers. But immigration and industry concentrations of foreign-born workers both have positive effects on wages, and this is contrary to what one would expect under a displacement model.

Clearly, there is much to be learned about the impact of the cumulative concentration of the foreign-born in selected industries, both as owners and workers. For instance, are the labor market dynamics generated when immigrant entrepreneurs employ other immigrants different from those generated by immigrants who secure employment in industries in which members of their group have historically been underrepresented? Any assessment of the influence of immigration on labor market outcomes must consider the many possible channels through which that influence may be transmitted. ■

⁹G. Borjas, “The Economics of Immigration,” *Journal of Economic Literature* 32 (1994): 1667–1717; G. Borjas, R. B. Freeman, and L. Katz, “On the Labor Force Effect of Immigration and Trade,” in *Immigration and the Work Force*, ed. G. Borjas and R. B. Freeman (Chicago: University of Chicago Press, 1992), pp. 213–44; D. A. Jaeger, “Skill Differences and the Effect of Immigrants on the Wages

of Natives,” Washington, D.C., U.S. Department of Labor, Bureau of Labor Statistics, 1995.

²T. Muller and T. Espenshade, *The Fourth Wave: California's Newest Immigrants* (Washington, D.C.: The Urban Institute, 1985).

³See, for instance, J. Kirschenman and K. Neckerman, “We’d Love to Hire Them But...,” in *The Urban Underclass*, ed. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991).

⁴See Borjas, “The Economics of Immigration.”

⁵Puerto Ricans are not “immigrants” by legal status, but the characteristics of those migrating from the island to the mainland are very similar to those of many Hispanic immigrants. See T. Espenshade, “Immigrants, Puerto Ricans, and the Earnings of Native Black Males,” in *Immigration and Race*, ed. G. Jaynes (New Haven: Yale University Press, forthcoming).

⁶The research reported in this article is discussed in detail in F. D. Wilson and G. Jaynes, “Immigration and Labor Market Outcomes for Native Workers,” paper presented at a conference on U.S. immigration, “Becoming America/America Becoming,” held by the Social Science Research Council at Sanibel Island, Florida, January 18–21, 1996.

⁷“Joblessness” includes both those unemployed and those not participating in the labor market.

⁸We can offer no explanation for the increased joblessness of skilled black workers.

⁹We cannot, however, exclude the possibility that we are observing the replacement of a labor supply that may have voluntarily left employment in certain industry sectors in search of other alternatives.

A conference on international migration to the United States

In 1994 the Social Science Research Council, with support from the Andrew W. Mellon Foundation, established a Committee on International Migration to address the fundamental issues influencing immigration to the United States. The goal of the committee was to reach beyond contemporary policy debates to provide clear understanding of the factors and processes that shape international migration and its social consequences.

The first act of the committee was to take stock of the theoretical and empirical basis of contemporary immigration study. The stocktaking took place at a conference held on Sanibel Island, Florida, from January 18–21, 1996. Called “Becoming American/America Becoming,” the conference explored the origins, outcomes, and processes of immigration to the United States, including the economic consequences both for immigrants and for the native-born low-income population. Papers by Thomas Espenshade, Franklin Wilson, and Marta Tienda and Rebecca Raijman that are summarized in this issue of *Focus* were first presented at the conference. The conference proceedings are reported and assessed in Josh DeWind and Charles Hirschman, “Becoming American/America Becoming,” *Items*, 50, nos. 2–3 (June–September 1996): 41–47. A volume based upon conference papers will be published by the Russell Sage Foundation. Papers are available from the authors. For further information, contact Josh DeWind, program director of the International Migration Program, Social Science Research Council, 810 Seventh Avenue, New York, NY 10019.

Forging mobility in a low-wage environment: Mexican immigrants in Chicago's Little Village neighborhood

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Over a million and a half legal immigrants arrived in the United States from Mexico during the 1980s, more than from any other country. Mexicans come as economic migrants, often, at first, on a temporary basis, and often undocumented. They are young, with the lowest education levels of all immigrants, averaging only 7.5 years of graded schooling. For historical reasons, the Mexican immigrant population is highly geographically concentrated in five southwestern states and Illinois. Like most immigrant groups, Mexicans are an urban population. The great majority of those now living in the United States are not citizens.¹

Mexican immigrants are a topic of particular interest as the new welfare eligibility and immigration laws begin to take effect. Without significant federal support for language instruction, employment training, and social programs to help them adjust, without access to the social safety net available to citizens, how will they fare in an austere economic environment that offers ever more limited opportunities for unskilled workers? As a low-skilled, minority population, they face greater employment instability than non-Hispanic whites. There is evidence that between 1980 and 1990 wage deterioration was particularly severe for young Hispanic men, and Mexicans constitute by far the largest Hispanic group.

Optimistic assessments about immigrant socioeconomic integration, made in the 1970s on the heels of a very long period of sustained economic growth in the United States, have been challenged by later research that questions whether immigrants can ever reach parity with their native-born counterparts.² The evidence suggests that unskilled immigrants coming after the early 1970s have experienced little or no wage mobility, although there is no agreement on the reasons for this. Are low-skilled immigrants merely sharing in the general decline of opportunities in the low wage market, or are they faring worse than the native-born? Has the social and economic significance of ascribed traits such as nativity increased as competition for jobs has intensified? Or have the economic fortunes of immigrants been slowed by the continuing flow of unskilled new arrivals? These debates are

unlikely to be settled conclusively without longitudinal data that enables us to trace the wage growth of cohorts of immigrants. Studies of immigrants' economic progress have, of necessity, been based on cross-sectional data that are unable to represent changes in economic status, particularly during a period of rapid economic change.

To illustrate how recent cohorts of immigrants are forging a livelihood in low-wage labor markets, we undertook a study of Mexican immigrants in Chicago, which, like many large, northern industrial centers, experienced massive job losses during the past two decades. The immigration population of Chicago nevertheless continued to increase. In our study, we sought to integrate survey research methods with the case study method traditionally employed by urban anthropologists. Believing that conventional labor force categories are inadequate for representing the myriad economic activities pursued by unskilled workers, we broadened our concepts of labor force activity to include multiple job holding in both formal and informal arrangements and what we have called "quasi-employment"—largely informal work undertaken by people who would formally be defined as "out of the labor force." We also focused on "family labor supply," considering that individuals form a less appropriate economic unit than the immigrant family households within which economic decision making occurs.³

The Little Village Study

The Little Village community is one of two Mexican immigrant neighborhoods on the southwest side of Chicago. It has become a magnet for recent immigrants of Mexican origin who look for jobs in nearby, small to moderate-sized, nondurable-goods factories that employ immigrant workers at low wages. Its main shopping street is populated by small businesses that serve this steady stream of new immigrants.

Table 1 provides a snapshot of the adult population of Little Village based upon the household survey that we undertook.⁴ We obtained basic demographic and socioeconomic information for all individuals living in the dwellings that we sampled. We made special efforts to detect all forms of income generation and economic activity for all household members, tracing sources of household income, assets, and household consumption patterns. One set of questions was designed to learn how families manage economic difficulties.

Table 1
Characteristics of the Respondents and Working-Age Household Members in the Little Village Study
(means or percentages)

Characteristic	All Household Members		Respondents Only	
	Males	Females	Males	Females
Marital Status				
Married	51.1	53.8	67.8	59.2
Cohabiting	7.6	8.0	7.7	9.8
Widowed	0.7	5.5	0.7	6.5
Divorced/Separated	3.9	9.3	6.3	15.8
Never married	36.7	24.3	17.5	8.7
Age (yrs)	33.4 (13.9)	34.3 (15.4)	38.0 (13.5)	37.8 (14.7)
Country of birth				
United States	21.7	26.6	14.0	23.9
Mexico	76.5	70.7	84.6	72.9
Other	0.8	2.7	1.4	3.2
Tenure (foreign-born only)				
In U.S. (yrs)	13.4 (8.9)	13.8 (10.7)	15.2 (9.5)	15.0 (10.4)
In Little Village	NA	NA	11.3 (8.0)	10.8 (8.2)
English proficiency (% not proficient)				
Speaking	NA	NA	53.0	68.4
Writing	NA	NA	61.2	69.2
Education				
Years in school	8.9 (3.7)	8.6 (3.7)	8.4 (4.0)	8.5 (3.9)
Level of schooling completed				
No degree or diploma	71.2	70.7	71.6	68.7
High school diploma or equiv.	20.5	22.5	18.4	22.5
Some postsecondary degree	3.4	4.5	5.6	5.4
Other (nonacademic)	1.9	2.3	4.3	3.3
Occupation				
Managerial/Professional	3.5	5.4	3.8	9.5
Technical/Sales/ Administrative	11.7	34.8	9.9	31.0
Service	12.8	15.2	9.9	11.9
Farming	3.7	—	4.6	—
Precision production/Craft/ Repair	19.7	5.4	26.8	4.8
Operators/Fabricators/Laborers	48.6	39.2	45.0	42.9
Industry				
Agriculture ^a	NA	NA	3.4	—
Construction			5.9	—
Manufacturing			51.2	51.2
Transportation			7.6	3.8
Wholesale trade			4.2	1.3
Retail trade			12.6	13.7
Business and repair services			3.3	2.5
Personal services			3.4	7.5
Professional related services			6.7	17.5
Public administration			1.7	2.5
<i>N</i>	460	440	143	184

Source: Little Village Household Survey. Note: Standard deviations in parentheses. NA = not available.

^aIncludes landscaping and gardening work.

Although Table 1 gives useful information about the labor market status of Little Village residents, this conventional approach to immigrant incorporation, based upon a single activity at a single point in time, fails to capture many activities that determine the economic well-being of immigrants. For instance, 1990 Census data from the PUMS 5 percent sample indicate that 2.9 percent of Mexican men and 1.5 percent of Mexican women in the Chicago SMSA are self-employed. Using the same definition of employment, 7.0 percent of men and 1.1 percent of women in our Little Village sample

were self-employed. But this measure disregards the prevalence of multiple job holding among relatively unskilled immigrants. A modified employment status distribution that takes into account both multiple job holding and informal employment (Table 2) illustrates how the conventional labor force definitions understate the extent and nature of labor force activity among immigrants. The category “quasi-employed,” for example, reveals that economic activities pursued in particular by women are not captured by the standard measure. Even though single-job holding remains the predominant mode, be-

Table 2
Employment Status Distribution of Little Village
Working-Age Adults
(percentages)

Employment Status	Men	Women
<i>Primary Occupation Only</i>		
Wage or salaried	69.9	36.8
Self-employed	7.0	1.1
Unpaid family worker	0.4	0.7
Unemployed	6.7	4.8
Out of the labor force	15.6	56.6
<i>Modified Distribution Based on All Self-Employment Activities</i>		
Wage or salaried		
Single job holders	61.9	34.1
Multiple job holders	1.3	0.7
Wage + self-employment	6.8	2.1
Self-employed	7.0	1.1
Quasi-employed		
Unemployed + self-employed	1.7	0.7
Housewife + self-employed	—	5.2
Student + self-employed	0.3	0.5
Student + part-time job	2.3	3.0
Retired + part-time job	—	0.2
Unpaid family worker	0.4	0.7
Housewife + part-time job	—	1.4
Unemployed	5.0	4.1
Not in the labor force		
Retired	4.4	4.1
Housewife	—	33.7
Disabled	2.4	2.5
Student	6.4	5.9
Labor force participation rate	84.0	42.7
Modified labor force participation rate ^b	86.4	53.1
<i>N</i>	460	440

Source: Little Village Household Survey.

^aBased on primary occupation only.

^bComputed as sum of all categories in modified employment status distribution, exclusive of unpaid family workers, retired, housewives, disabled, and students.

tween 7 and 20 percent of wage and salaried workers also claim some self-employment activity. Only 15 percent of those who reported self-employment as a main activity were business owners with a storefront; the rest were engaged in informal activities, at home (women offering personal services such as child care or laundry), as street vendors, or with home-based businesses in construction and repair services (all men) or housecleaning.

When the unit of analysis shifts from individuals to families and households, therefore, it is clear that for low-skilled workers, economic mobility involves innovative income-packaging strategies by various family members over a generation. Table 3 gives basic information about four family case histories that convey the variety and complexity of such strategies. They include (1) a nuclear family with several adult children coresiding with immigrant parents; (2) a doubled-up family that combines wage work with informal self-employment; (3) a single-

Table 3
Income Packaging and Family Labor Supply:
Illustrative Case Studies

1. Nuclear Family

Head (47, Mexico), unemployed wage worker, self-employed car repair mechanic
 Spouse (49, Mexico), self-employed, operates taco trailer
 Child (32, Mexico), unemployed, unpaid family worker
 Child (30, Mexico), disabled
 Child (30, Mexico), disabled
 Child (21, Mexico), has begun a printing business
 Child (20, Mexico), unpaid family worker
 Child (18, Mexico), unpaid family worker
 Child (17, Mexico), unpaid family worker

2. Doubled Household

Head (39, Mexico), gardener, self-employed plumbing + house repair
 Spouse (36, Mexico), housewife, out of labor market
 Child (17, Mexico), student, part-time receptionist
 Child (15, Mexico), student
 Child (9, Chicago), student
 Comadre (40, Mexico), housewife, out of labor market
 Comadre (40, Mexico), factory worker, self-employed plumbing + house repair

3. Employed Female-Headed Household

Head (36, Mexico), factory worker, self-employed dry-cleaning intermediary
 Child (17, Chicago), student with scholarship, helps mother with dry-cleaning business
 Child (14, Chicago), student

4. Welfare Household

Head (30, Mexico), housewife, divorced
 Child (13, Texas), student
 Child (11, Texas), student
 Child (11, Texas), student
 Child (9, Chicago), student

Source: Little Village Household Survey.

parent family that receives no means-tested income transfers; and (4) a single-parent family dependent upon transfer income. The income strategies of these families are briefly described here.

1. This nuclear family of nine immigrated 16 years ago from Mexico, where the father was a successful salaried mechanic with 14 years of formal schooling. He describes himself as currently unemployed. Household income is derived in part from two informal businesses, car repair and a taco trailer operated by the mother, who has 2 years of formal schooling; these bring in, on average, \$600 a month. All children were born in Mexico. The family receives \$900 a month in disability income for disabled 30-year-old twins. Four other children, ranging in age from 32 to 17, are unpaid workers in the informal family businesses. Another son has just started a silkscreen printing business, with a loan from his parents. If the son's business is successful, and if he stays at home, family income may increase. The family's annual household income of \$18,000 is slightly below the poverty level for a family of nine.

2. The doubled-up family consists of parents with their three children and the children's godparents. The parents (gardener with five years of schooling and housewife with no formal schooling) and two older children immigrated from Mexico 11 years ago; their youngest son is an American citizen. The godparents (factory worker and housewife) arrived from Mexico 15 years ago. Both men work together in an informal plumbing and home repair business. The families share a house, but not a budget. When actively working as a gardener (employment is highly seasonal), the father earns \$1,000 a month; he estimates about \$800 a month from the informal business, which provides a measure of income smoothing over the course of the year. The family receives \$200 a month in rent from the godparents. One daughter works part-time as a receptionist. Annual income is just above the poverty threshold for a family of five.

3. The mother in this female-headed, self-sufficient family came from Mexico 18 years earlier; she has six years of formal schooling. She has a wage factory job and an informal dry-cleaning business that involves pickup and delivery for an established dry-cleaning business owned by a friend in another suburb. Customers come through friend and family networks. One daughter helps in this business and also has an educational scholarship. Monthly income from the wage job is \$1,500 (about \$9.40 an hour). The dry-cleaning business provides another \$50, the scholarship \$167 a month. This income

places the family well above the poverty threshold for a three-person family.

4. The mother in this welfare-dependent family of five divorced one year ago and moved to Little Village to be near her brother. She came from Mexico 13 years earlier, and has six years of formal schooling. After the divorce, she began to receive AFDC to support her four children under age 18 (all were born in the United States). Her monthly stipend is \$828; she receives \$200 in food stamps, but no housing subsidy. She receives no child support payments. She does not work, and one of the daughters is ill. Her \$12,336 annual income falls well below the poverty threshold for a family of five.

These brief case studies reaffirm the importance of considering various forms of self-employment and multiple job holding when studying the economic well-being of immigrants. The vignettes do not, however, reveal how typical is this kind of income packaging in the community. In Table 4, therefore, we list the multiple sources of immigrant household incomes, classified by labor and nonlabor origins. The mean household income of \$23,415 supports 4.5 persons, on average. The rich variety of nonlabor income sources is noteworthy: in particular, rental income averages 5 percent of the family income package, and almost a quarter of the households declare this income source. Income from informal self-employment and part-time jobs represents a very small

Table 4
Annual Income Packaging Strategies of Little Village Households

Income Source	Amount (\$)	C.V.	% Household Income	% Households That Receive
Labor Income				
Respondent's primary activity	10,123	1.0	43.2	62.6
Other member's primary activity (mainly spouse)	8,601	1.2	36.7	54.2
Informal self-employment + part-time jobs ^a	584	3.4	2.5	14.0
<i>Subtotal</i>	<i>19,308</i>		<i>82.4</i>	
Nonlabor Income				
Means-tested ^b	691	3.1	2.9	17.9
Other transfers ^c	1,927	2.1	8.2	25.9
Rent ^d	1,231	2.5	5.2	23.6
Interest	153	8.8	0.6	2.9
Other ^e	141	4.6	0.6	7.7
<i>Subtotal</i>	<i>4,143</i>		<i>17.5</i>	
Total income	23,451	0.55	100.0	
<i>N</i>	313			

Source: Little Village Household Survey.

Note: C.V. = coefficient of variation.

^aDerived from responses to "other ways of making money."

^bIncludes AFDC, food stamps, public assistance, and WIC.

^cIncludes social security, disability, SSI, alimony, veterans' benefits, educational grants and scholarships, and unemployment compensation.

^dIncludes rent from apartments or rooms.

^eIncludes gifts from friends and family residing elsewhere, contributions from community organizations, and nonsalary contributions of others in the household.

Table 5
Transfer Income Participation Rates: Little Village

Income Source	% Participating	Mean monthly payment (\$)
Social security	15.4	614 (280)
Disability	2.2	1,040 (679)
SSI	1.9	368 (11)
Alimony	1.9	378 (337)
AFDC	3.1	412 (97)
Subsidized housing	—	—
Food Stamps	14.7	197 (127)
Public assistance	5.9	267 (202)
Unemployment compensation	5.3	722 (430)
WIC	9.2	94 (72)
Educational grants	6.2	520 (771)
Medicaid/Medicare	37.5	NA
<i>N</i>	327	

Note: Standard deviation in parentheses.

share of average household income, but for the families involved in such activities, that income often means the difference between being above or below the poverty line.

Immigrants' use of transfer income is a subject of particular interest in the light of the recent changes in eligibility. About one in four households in Little Village received non-means-tested income transfers; less than 20 percent received any sort of means-tested income. Means-tested transfers represent about 3 percent of total household income, other transfers (disability, social security, alimony, scholarships, and the like) about 8 percent. To put the scale of transfer income into perspective, Table 5 disaggregates such income by source. Most of the households classified as receiving means-tested benefits only received food stamps (15 percent) and WIC (9 percent), and the average amounts received were relatively low, \$197 and \$94, respectively. Over one-third of all households received publicly subsidized medical services, but only 3 percent participated in AFDC, and 6 percent received other public assistance. Participation in non-means-tested programs was lower, but monthly stipends were appreciably higher.

The average income of the households involved in informal activities is similar to that of the general population—around \$23,000 in 1994—and so is the share of their household income derived from labor. But the internal distribution among the various labor sources differs. Households involved in informal activities derive relatively lower incomes from the formal labor market and seek informal opportunities to compensate. At the same time, they are slightly more likely to receive means-tested income (20.5 versus 17.9 percent), and the average transfer is almost twice that of the total population (\$1,157 versus \$691).

Conclusions

Conventional labor market approaches that assume only one job arrangement per worker obscure the role of informal-sector work (especially informal self-employment) for earning a living. These activities were not captured when we administered the conventional labor force status questions in our survey, suggesting that immigrant economic activities are underreported in most national surveys that rely exclusively on these types of measures. Of particular interest for understanding immigrants' prospects for economic mobility is the linkage between informal activities and small business ownership; it may be that experience gained in informal work for compatriots is an important stage in the path toward entrepreneurship. We are investigating this question in ongoing work.

For families involved in informal activities, nontrivial shares of total income are produced outside the formal labor market. This implies that, in national data sources, the household incomes of a subset of immigrant families may be biased downward. Future data collection efforts should consider how to capture such activities and the income they generate when portraying family income packaging strategies. Annualized calculations presume relatively stable employment, but in low-wage markets nothing could be further from the truth, as we learned from our follow-up calls to families in Little Village.

Data collection also needs to portray consumption relative to the number of income producers—consumption and production are not necessarily equivalent within households. And analysts need to consider the extent to which complex households—even family households—may or may not pool income. Our analyses were able to reveal highly complex income packaging strategies, but they could not ascertain under which circumstances income pooling occurs, or when complex living arrangements justify the assumption that individuals share facilities solely to benefit from economies of scale. Developing constructs that lend themselves to the study of family labor supply is an essential prerequisite to answering simple questions such as, “How *do* immigrants make it in America?” ■

¹Of the 22.5 million foreign-born persons living in the United States in March 1994, 6.2 million came from Mexico. From 1990 census data, the median age of Mexican immigrants in the United States is 30 years; the median age of all persons of Mexican origin is 24 years. On Mexican immigration to the United States, see also R. G. Rumbaut, “Origins and Destinies: Immigration, Race, and Ethnicity in Contemporary America,” in *Origins and Destinies*, ed. S. Pedraza and R. G. Rumbaut (Belmont, CA: Wadsworth, 1996), pp. 21–42.

Studies of legalization authorized by the Immigration Reform and Control Act (IRCA) of 1986 indicate that 70 percent of those legalized under the amnesty program were of Mexican origin (M. Tienda, G. J. Borjas, H. Cordero-Guzmán, K. Neuman, and M. Romero, “The

Demography of Legalization,” Final Report to the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 1991; available as University of Chicago Population Research Center Working Paper 91-4. Estimates of the numbers of the undocumented are necessarily imprecise and were sometimes highly exaggerated. More than 3 million applications for amnesty were submitted to the Immigration and Naturalization Service by the end of the IRCA amnesty period in late 1988; see G. Vernez, “The United States Immigration Reform and Control Act of 1986: Implementation and Effects,” in *Migration Policies in Europe and the United States*, ed. Giacomo Luciani (Dordrecht: Kluwer, 1993), also available as RAND reprint RP-265. The INS estimates that there were 3.2 million illegal aliens in the United States in October 1992; 1 million of them were Mexican (INS, Immigration Fact Sheet on World Wide Web site, November 13, 1996).

As for naturalization rates, U.S. Census figures for 1990 show approximately 4.3 million persons of Mexican birth in the United States, 3.3 million of whom were not citizens (INS, Immigration Fact Sheet on the World Wide Web site, November 13, 1996). For a variety of reasons, including fear of loss of property rights in Mexico (under Mexican law, those who became citizens elsewhere lost their Mexican citizenship; this changed in December 1996), Mexicans have traditionally been among the slowest immigrant groups to apply for citizenship.

²Barry R. Chiswick, for example, using data from the 1970 Census (the first to include a question about year of immigration), concluded that immigrants’ earnings would exceed those of comparably skilled natives within a generation; see “The Economic Progress of Immigrants: Some Apparently Universal Patterns,” in *Contemporary Economic Problems*, ed. W. Fellner (Washington, D.C.: American Enterprise Institute, 1979). George Borjas has criticized Chiswick’s view, arguing that relative educational differences between immigrants and natives makes even parity unlikely; see, e.g., his *Friends or Strangers: The Impact of Immigration on the U.S. Economy* (New York: Basic Books, 1990).

³The research summarize here is reported in the following papers: M. Tienda and R. Raijman, “Forging Mobility: Immigrants’ Socioeconomic Progress in a Low-Wage Environment,” paper prepared for “America Becoming/Becoming American,” Social Science Research Council conference on immigration, Sanibel Island, FL, January 17–21, 1996; a briefer version of this paper is “Forging Mobility in a Low Wage Environment: Mexican Immigrants in Chicago’s ‘Little Village’,” May 1996, Department of Sociology, University of Chicago. See also M. J. Rosenfeld and M. Tienda, “Labor Market Implications of Mexican Migration: Economies of Scale, Innovation, and Entrepreneurship,” unpublished paper, June 1996, Department of Sociology, University of Chicago.

⁴Chicago’s 1990 population was 40 percent African American, 20 percent Hispanic, and 40 percent other races. The Little Village neighborhood contained about 81,000 residents. Because there were no preexisting listings of households, we first canvassed the entire neighborhood and then surveyed households taken from a complete listing of dwellings (N = 2104) in blocks drawn randomly from a clustered sample. From a sample size of 450 households, our bilingual interviewers completed 330 interviews. In contrast to most social surveys, where upwards of 70 percent of respondents are women, 44 percent of these respondents were men.

Public assistance use by immigrants: What can the U.S. Census tell us?

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U.S. immigration policy is explicitly designed to refuse immigrant visas to persons likely to become “public charges.” Research that has found higher rates of welfare receipt among immigrants than among natives has, therefore, been taken as evidence of shortcomings in immigration policies or welfare policies—and most likely in both. It is of utmost concern that measurements of immigrant and native welfare receipt accurately reflect real differences between these two groups and actually show which immigrants account for any differences observed. Yet such measurements, dogged by inadequate data, inconsistent definitions, and insufficient disaggregation, have themselves become the subject of controversy, as researchers have resorted to estimations based upon different and often challenged assumptions.

In a recent series of articles, we have elucidated both the difficulties and the untapped possibilities of using census data and offered some solutions. Here we briefly describe the methodology we have developed and report the conclusions we have reached regarding welfare reciprocity among immigrants.

Besides the lack of comprehensive and reliable data, we find three reasons that comparisons of welfare receipt among immigrants and natives may fail accurately to capture the meaningful differences:

1. Census data are missing important information: they do not, for instance, identify directly the program in which public assistance recipients are enrolled. Furthermore, the reliability of the data is an issue: if, for instance, members of a group are systematically less likely to report public assistance income or to be included in a population sample, then welfare receipt by that group will be undercounted.

2. Estimates of differences between immigrants and natives in welfare receipt may be influenced by varying definitions of who is counted as an immigrant or a public assistance recipient and by the choice of the unit of analysis. Should it be the household, the family, or the individual?

3. The magnitude of differences between immigrants and natives in welfare receipt depends upon the kind of immigrant. Unless immigrants are disaggregated, the policy implications cannot be meaningfully discerned.

How reliable are Census-based measures of welfare reciprocity?

Data from the U.S. Census are critical to the study of immigrant populations, for most other data sources do not contain large enough samples of immigrants for reliable analysis. This is especially so if immigrants are disaggregated by national origin—an essential strategy, given the varying modes of entry and socioeconomic differences among immigrant groups.¹ (We discuss this further below.)

The usefulness of estimates based on the Census depends, first, upon their accuracy: the extent to which census data are affected by reporting error, omissions, or uneven and incomplete coverage and response. Second, it depends upon whether it is possible to determine the particular program in which an immigrant family or individual is enrolled from census data which lump together cash income from the three main welfare programs, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and General Assistance (GA).

The bulk of welfare recipients receive transfer payments from one of two programs, AFDC or SSI, which have different sets of eligibility requirements. We have developed and tested a procedure for using these eligibility criteria as a basis for classifying welfare recipients under one of the three public assistance programs. Because of the small size of the GA population and the great variation in state programs, we focused primarily on estimating AFDC and SSI reciprocity.

AFDC. To estimate AFDC reciprocity with census data, we used the presence of children in the recipient’s immediate family as a marker for AFDC receipt. Because in all states some married couples are eligible for AFDC and because caretakers of foster children may receive AFDC, we did not limit recipients to single parents, nor did we require that the children in the recipient’s family be the recipient’s own children.

SSI. SSI is limited to the elderly poor, the blind, and the disabled. Thus we classified recipients who were either disabled or over 65 as receiving SSI.

To validate these procedures, we relied upon data obtained from smaller sources with more detailed information about public assistance receipt: the National Longitudinal Survey of Youth (NLSY), the Survey of Income and Program Participation (SIPP), and the Current Population Survey (CPS). We used the 1989 wave of the NLSY and the 1988 panel of the SIPP to acquire information about the timing of AFDC and SSI receipt, respectively. We used data on AFDC and SSI receipt from the 1990 and 1994 March CPS supplements to assess our Census-based estimates. Beginning in 1994, the CPS asked questions about nativity, thus allowing us to compare the accuracy of the Census-based estimates for both natives and immigrants.

Further, assuming that administrative records obtained directly from the agencies that manage state and federal welfare programs are relatively free of measurement error, we compared the Census-based estimates with federal administrative records of the numbers of recipients. We found that federal administrative reports of the numbers and characteristics of recipients differed systematically in a number of ways from the Census-based estimates of public assistance. We therefore made adjustments to Census estimates to make them comparable with the administrative records. For example, administrative records of the number of AFDC and SSI recipients include child recipients, but in the Census, children younger than 15 are not identified as recipients of public assistance income. To adjust for this discrepancy, we classified as AFDC recipients those child dependents who lived in households where the residential adult was an AFDC recipient.² A second problem is that AFDC recipients tend to receive payment for short spells, many lasting less than a year. Thus we adjusted the Census estimates of the number receiving AFDC, using total public assistance income for the year and calculations from NLSY data for 1989 to estimate average months of AFDC reciprocity. But the characteristics of age or disability that rendered SSI recipients eligible in the first place are unlikely to change. Once on SSI, they are unlikely to leave; thus census data do not need to be adjusted for differences in the time period of measurement, in order to be compared with administrative data. In both programs, a final adjustment was made for Census undercount, but in neither case did this represent more than a trivial change.

How did the adjusted estimates produced from census data compare with administrative estimates? For AFDC, SSI, and GA combined, data from the 1990 Census 5 percent Public Use Microdata Samples (PUMS) identify about 84 percent of the adult recipients and 63 percent of the child recipients and dependents identified from administrative data. For AFDC, the Census-based reciprocity measure detects about 69 percent of adult recipients in 1989: 55 percent of black recipients, 59 and 69 percent of Hispanic and Asian recipients, respectively, and about 80 percent of non-Hispanic whites. The

average is only about half a percentage point less than the actual percentage of recipients in the U.S. population. For SSI, the Census estimates capture 96 percent of the people who, according to administrative data, received SSI in 1989.

Thus the Census appears to provide particularly good approximations for SSI reciprocity, less so for AFDC. But although the AFDC measure does not provide a very adequate assessment of the *levels* of reciprocity, it is nonetheless useful for studying group differentials and trends over time.³

Nativity differences in public assistance receipt: Does it matter what the unit of analysis is?

Estimates of the difference in public assistance use between the native-born and immigrants are materially affected by the varying definitions used. We compared immigrant and native rates of public assistance reciprocity using the three common units of analysis: the household, the family, and the individual. We further estimated the amount of the differential in household- and family-level reciprocity that is due to differences in individual rates between immigrants and natives. Using the techniques described above, we also made estimates separately for AFDC and SSI.

The unit of analysis

Research clearly shows that welfare receipt by immigrant households has surpassed that of native households over the last three decades. Such research has typically defined a “recipient household” as a household containing one or more recipients, and an “immigrant household” as one headed by an immigrant. Use of the household or the “family-household” as the unit of analysis is in part dictated by the nature of the data.⁴ In the large datasets on which researchers into immigration issues must rely—the Census, the CPS, the SIPP—a single person in the household is asked to provide information about other household members. This person may mistakenly believe that public assistance is being received by only one person, when in fact several household members may do so. The Census does not record whether children under 15 are welfare recipients, and this is also likely to result in an underestimate of the number of individual recipients. Thus the household has seemed the most reliable unit, and the most conceptually appropriate one; households and families are usually the relevant consumption unit, and families rather than individuals constitute the unit used to determine eligibility for AFDC.

There are several problematic aspects of analysis at the household or family level. Differentials in welfare use at these levels derive not only from differences in individual rates of use, but also from differences in house-

Table 1
Household, Family, and Individual Rates of Public Assistance Receipt among Immigrants and Natives
(in percentages)

Year and Unit of Analysis	All Cash Welfare		AFDC		SSI	
	Immigrant	Native	Immigrant	Native	Immigrant	Native
1980 Census						
Household	8.0	7.7	2.7	3.4	5.1	3.9
Family	7.1	7.1	2.2	3.1	4.6	3.6
Individual	5.3	5.5	2.2	3.7	2.9	1.6
1990 Census						
Household	8.7	7.5	3.4	3.2	5.1	4.0
Family	6.9	6.7	2.6	2.9	4.1	3.5
Individual	5.4	5.6	2.5	3.8	2.7	1.7
1994/95 March CPS						
Household	10.6	8.1	4.6	3.8	4.9	3.8
Family	9.2	7.6	4.0	3.5	4.3	3.4
Individual	7.6	7.3	3.7	4.9	3.1	2.1

Source: 1980 and 1990 U.S. Census 1 percent Public Use Microdata Samples, 1994 and 1995 March Current Population Surveys.

Note: Children are counted according to their own country of birth, not that of their parents.

hold or family size and in the extent to which recipients cluster within these units. Thus analyses that compare welfare receipt of immigrant and native populations at the household or family level may yield conclusions contradictory to those reached by individual-level comparisons.

Our comparisons of welfare receipt using these three units of analysis are made for 1980–1995, years during which the household differential increased dramatically. We do not use the “family-household” definition. Instead, we count the householder’s family and subfamilies living in multifamily households as separate family units.

Another definitional issue is the classification of native-born children of immigrants. It is not immediately clear whether classifying them as immigrants will raise or lower the immigrant–native differential, so we make two estimates. In the first estimate, native-born children are counted as natives—they are U.S. citizens and entitled to all benefits of that status, including public assistance. In the second estimate, the children are counted as immigrants—their presence in the United States and subsequent welfare receipt are a direct result of their parents’ migration, and the benefits for which they are eligible also support the immigrant parents who are legally responsible for them.

Household, family, and individual reciprocity

If two groups experience the same individual level of welfare receipt, the group that has its population clustered into larger households will have a higher household-level rate. In comparing immigrant with native levels of receipt, the household size of immigrants is measured as the average number of immigrants per household and the household size of natives as the aver-

age number of natives per household. Using this definition of household size, immigrant households are smaller than those of natives.⁵ This difference alone may make immigrant household reciprocity lower than that of natives. However, if the welfare recipients in one group are heavily clustered within households, that group will show a lower household-level rate than one in which they are more evenly distributed. Thus household size and clustering of recipients have counteracting effects. Immigrants tend to have lower levels of recipient clustering than natives.⁶ This difference will lead to higher levels of household reciprocity among immigrants and may counterbalance the effect of the nativity difference in household size.

Table 1 shows rates of public assistance receipt among immigrants and natives for the years 1979, 1989, and 1993–94. For all public assistance combined, the differential is largest for households and moderate for families, but negative or close to zero for individuals. Moreover, over the years the household and family differentials grew many times larger, whereas the individual differential scarcely changed. In considering particular programs, we see that at each point in time, immigrant levels of welfare use are highest when the household is the unit of analysis, lowest when the individual is used. The choice of the unit of analysis clearly affects evaluation of immigrant welfare receipt, though more strongly for AFDC than for SSI.

Our calculations further suggest that for welfare use in general and for AFDC, the comparatively high immigrant household-level rates can be explained entirely by differences in household size and recipient clustering. These differences are so large that the observed household-level differential masks the fact that immigrants have lower *individual* rates of welfare use. For AFDC,

the difference between the observed differential and the differential adjusted for household characteristics increases steadily from 1979 to 1993/94; by the end of this time the immigrant–native differential in the receipt of AFDC is overstated by 1.7 percentage points. For SSI, in contrast, the observed household-level rates of use tend to *understate* the immigrant-native differential, and at no point is it explained by differences in household characteristics. The reason that the observed AFDC differential, but not the SSI differential, can be explained by household characteristics is that among immigrants, clustering of recipients in AFDC households is lower than among native households; among SSI recipients, clustering is about the same for both types of households.⁷

How would the results change if the native-born children of immigrants were counted as immigrants? For all public assistance programs combined, a substantial proportion of the immigrant–native differential can still be explained by differences in household characteristics. But for AFDC, the results become much less sensitive to the unit of analysis. Only if children living in immigrant households are classified as immigrants, regardless of their place of birth, do household- and family-level measures of AFDC receipt accurately reflect differences between immigrant and native-born individuals. For SSI, household- and family-level rates still tend to understate the reciprocity rate, but to a smaller extent.

It is crucial that researchers and policy makers alike pay attention to the unit of analysis employed in studies of welfare use. If the researcher wishes to treat U.S.-born children of immigrants as immigrants, then the choice of the unit is less important than if the children are considered native-born, especially if public assistance programs are considered separately. If individual-level measures are unavailable, it may be more accurate to discuss immigrant–native differentials in AFDC use at the family level. For evaluating SSI, however, household measures come closer to the differentials represented by individual SSI reciprocity rates than do family measures.

Nativity differences in public assistance receipt: Country of origin and patterns of welfare use

In the last two decades, the United States has received primarily three kinds of immigrants: (1) refugees, (2) persons who came at first as temporary, undocumented labor migrants and later were granted legal status, and (3) legal immigrants who came with family-preference or occupational-preference visas. These different kinds of immigrants have come from largely different countries of origin, have different reasons for coming, and have different incorporation experiences after they arrive, yet too often, in public and policy discussions, they have been lumped together.

The different experiences of immigrants directly and indirectly affect patterns of welfare use. Refugees are immediately eligible for public assistance, whereas other legal immigrants are not. Many illegal immigrants see themselves as temporary labor migrants, and their preoccupation with finding and keeping work, belief that they are in the country temporarily, and feelings of vulnerability about their undocumented status lower the probability that they will seek public assistance.

Earlier in this article, we estimated the differences between immigrants and the native-born in the use of public assistance in general and of AFDC and SSI in particular. Here we make use of census data to clarify two other issues that have substantial and very different policy implications:

- (1) the extent to which immigrant groups of different national origins differ in their use of public assistance programs;
- (2) the sources of the increase in welfare use by immigrants over the last decade. How much is due to increases in the size of groups with higher welfare reciprocity rates, how much derives from increases in the likelihood of welfare use among all immigrants?

For the estimates that follow, we make the household the unit of analysis, because households are the primary economic unit within which people live. We include nonfamily households, which constitute 21 percent of immigrant and 26 percent of native households. Households that contain at least one public assistance recipient are classified as recipient households. We define an immigrant household as a household in which either the householder, or the spouse of the householder, or both are foreign-born. Thus some of the households that we classify as “immigrant” contain both foreign- and native-born persons.⁸

We classify immigrants into four groups, based on national origin. The first group, consisting of persons coming mostly as labor migrants (often, originally, as temporary, illegal residents), is defined as foreign-born persons from Mexico, El Salvador, and Guatemala. The second and third groups consist of foreign-born persons from 11 nations, most of whose immigrants in the 1980s came as refugees. We subdivide refugees into Asian and non-Asian groups because of their great differences in education and socioeconomic status.⁹ The last group, other foreign-born persons, is dominated by Europeans and Canadians and differs little from natives in sociodemographic characteristics.

In our estimates of public assistance receipt for each country-of-origin group, we include four categories of independent variables: the demographic composition of the household, its economic and human-capital assets, indicators of welfare eligibility, and immigrant charac-

Table 2
Public Assistance Reciprocity among Immigrant Households by Region of Origin

Program and Country-of-Origin Group	1980 Census		1990 Census		Part of Change due to Change in	
	% of All Immigrant Households	% Receiving Public Assistance	% of All Immigrant Households	% Receiving Public Assistance	Group Size	Rate of Public Assistance Reciprocity
All Cash Public Assistance						
Mexican, Guatemalan, and Salvadoran immigrants	13.6	12.0	20.0	11.7	0.75	-0.06
Asian refugees	0.8	28.7	2.5	32.7	0.54	0.07
Non-Asian refugees	12.4	10.1	10.8	11.8	-0.18	0.20
Other immigrants	73.2	6.7	66.8	6.5	-0.42	-0.14
All immigrant households	100.0	8.0	100.0	8.7	0.69	0.07
AFDC						
Mexican, Guatemalan, and Salvadoran immigrants		2.7		6.7	0.41	0.10
Asian refugees		6.1		22.8	0.39	0.01
Non-Asian refugees		22.1		2.3	-0.03	0.07
Other immigrants		1.7		2.0	-0.13	0.00
All immigrant households		2.0		3.5	0.64	0.18
SSI						
Mexican, Guatemalan, and Salvadoran immigrants		5.9		5.0	0.35	-0.15
Asian refugees		5.9		13.6	0.17	0.13
Non-Asian refugees		8.0		9.3	-0.14	0.16
Other immigrants		4.4		4.2	-0.28	-0.15
All immigrant households		5.1		5.1	0.10	-0.02

Source: 1980 and 1990 U.S. Census 1 percent Public Use Microdata Samples. Percentages may not add because of rounding.

Note: Children are counted according to their own country of birth, not that of their parents.

teristics and race or ethnicity. Table 2, which reports public assistance trends among the different immigrant groups, shows that the rise in public assistance receipt is concentrated among Asian refugees and Mexican/Central American immigrants. Over 90 percent of the increase during the decade is due to sharply rising numbers of Asian refugees and Mexican/Central American immigrants rather than to changes in the prevalence of welfare use within these groups. Among immigrants in the “other” category, use in fact declines.

We have already seen that the immigrant–native differential in welfare receipt widened for both AFDC and SSI. Table 2 also includes estimates for these two programs by country of origin. Again, increases in AFDC reciprocity are largely due to increases in the numbers of Mexican/Central American immigrants and Asian refugees rather than to large changes in reciprocity within these groups. Levels of SSI receipt *declined* for all immigrant subgroups except the two refugee groups, though the dramatic increases in the relative size of the Mexican/Central American immigrant group and the Asian refugee group contributed to the increase in total SSI levels.

How much of the nativity difference in reciprocity is explained by nativity differences in characteristics? Our analyses have suggested that if immigrants had the same sociodemographic characteristics as natives, the AFDC reciprocity rate for all groups would be below the rate for

native-born households in both 1979 and 1989. For SSI, the reciprocity rate would be lower in 1979, but not in 1989. The contribution of Mexican/Central American groups to the higher SSI rates derives from force of numbers, but the proclivity of Asian refugees to use SSI more than doubles between 1980 and 1990.

Conclusions

These findings suggest that blanket restrictions on U.S. immigration may be an inappropriate tool for coping with increases in immigrant welfare reciprocity. The rise in immigrant welfare reciprocity during the 1980s derives in most part from larger numbers of Asian refugees increasingly receiving SSI; to the extent that this represents a problem, it is a problem of refugee policy or SSI eligibility, rather than of U.S. policies for legal immigration.

The results also demonstrate how sheer force of numbers can affect public assistance changes. The policy implications of this depend upon where the increase appears. Mexican/Central American immigrants, for example, perhaps because of their history as undocumented labor migrants, are not especially welfare-prone; their usage of welfare does not increase over the 1980s. But even though they are less likely than statistically comparable natives to use AFDC, the increase in their numbers over the 1980s raised overall welfare reciprocity. This result

could as readily point toward a need to reform border control and employment policies as to reduce levels of legal immigration. For example, better border management and increased enforcement of employer sanctions might limit undocumented migration and the kinds of legal immigration that derive from it, such as family reunification after legalization, thus reducing welfare usage as numbers decline.¹⁰ Curtailing undocumented migration, however, is a far cry from calls for more general restrictions upon immigration. ■

¹The research summarized in this article is reported in J. V. W. Van Hook, F. D. Bean, and J. E. Glick, "The Development and Assessment of Census-Based Measures of AFDC and SSI Reciprocity," *Journal of Economic and Social Measurement* 22 (1996): 1–23; J. V. W. Van Hook, J. E. Glick, and F. D. Bean, "Nativity Differences in Public Assistance Receipt: What Difference Does the Unit of Analysis Make?" unpublished ms., University of Texas at Austin, Population Research Center, May 1996; F. D. Bean, J. V. W. Van Hook, and J. E. Glick, "Country-of-Origin, Type of Public Assistance and Patterns of Welfare Reciprocity among U.S. Immigrants and Natives," *Social Science Quarterly*, forthcoming.

²Disabled children under 15 are not identified as disabled, so some child recipients of SSI will be wrongly classified as AFDC recipients. This results in slight overestimates of AFDC recipients in the 1990 Census data, but large underestimates of SSI child recipients. The problem is not critical for 1989, but since then, the number of child recipients of SSI has increased dramatically.

³As an example: unadjusted levels of AFDC receipt in 1989 are 3.5 percent for immigrant households, 3.2 percent for native households—a difference of 0.3 percent. Adjustments for race/ethnic differences in reporting and for duration of receipt increase that differential to 0.5 percent; final adjusted estimates from census data show 4.3 percent of immigrant households and 3.8 percent of native households as AFDC recipients.

⁴"Family-households" exclude households consisting of single individuals or unrelated adults.

⁵In the 1980 Census, the size of the average immigrant household was 1.7, of the native-born household, 2.7 persons. In the 1990 Census, average immigrant household size was 2.0, native-born 2.5 persons (authors' calculations from the 1980 and 1990 Census 1 percent PUMS).

⁶In 1980, immigrant recipient households contained an average of 1.1 immigrant recipients, whereas native recipient households contained an average of 1.9 native recipients. The corresponding figures in 1989 were 1.2 for immigrants and 1.9 for natives, and in 1994–95, 1.4 for immigrants and 2.2 for natives.

⁷In the 1994/95 CPS data, immigrant households averaged 1.6 AFDC recipients per recipient household, native households averaged 3.2 recipients. For SSI, comparable figures were 1.2 and 1.4 recipients per recipient household for immigrants and natives, respectively.

⁸Because foreign students tend to be temporary resident aliens, we exclude households in which the head is both foreign-born and enrolled in postsecondary school.

⁹"Refugee" countries are the former U.S.S.R., Poland, Romania, Iran, Ethiopia, Afghanistan, Vietnam, Laos, Cambodia, Cuba, and Nicaragua. Almost 90 percent of all refugee arrivals to the United States in the 1980s came from these 11 countries, and over 91 percent of persons coming from these countries came as refugees.

¹⁰Provisions of the September 1996 immigration legislation called for expanded efforts at border control but few changes in the area of employer enforcement.

Immigrants and welfare: Evidence from the Survey of Income and Program Participation

George J. Borjas and Lynette Hilton

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In 1970, when the U.S. Census first reported whether households receive cash welfare benefits, immigrant households were slightly less likely than native households to receive such benefits.¹ In 1990, however, 9.1 percent of immigrant households enumerated in the Census received cash public assistance, compared to only 7.4 percent of native households. Such findings have fueled public anxieties over immigration policy and played a large part in the provisions excluding legal immigrants from federal welfare programs that were included in the welfare reform bill signed by President Clinton in August 1996.

The difference in immigrant–native rates of participation in cash welfare benefits is not numerically large. The Census, however, does not provide information on non-cash transfers such as food stamps, Medicaid, and housing subsidies, and it reports only whether a household received cash benefits during a given calendar year. Thus it cannot tell us whether the higher immigrant reciprocity rates that it shows result from a higher incidence of immigrants on welfare, or from immigrants having longer spells on welfare. The distinction is important: the policy implications of an immigrant population in which many households are long-term welfare recipients differ substantially from the implications of an immigrant population with a high probability of short-term welfare receipt.

In recent research, we used the Survey of Income and Program Participation (SIPP) to provide a more complete picture of immigrant participation in the wide array of means-tested entitlement programs that have, over the last thirty years, constituted the American welfare state. The SIPP is a panel survey that interviews each participant every four months about his or her economic experiences, including income received from means-tested benefit programs. It also asks where each respondent was born and, if born abroad, the year of arrival in the United States. In our analysis, we classified as immigrants all persons born abroad, whether naturalized citizens of the United States or not (all others are classified as natives).² We restricted our analysis to those who were household-

ers in the first month of the sample, and followed the household's welfare participation history over the 32 months for which it participated in the sample. The data we drew upon are pooled 1984–85 and 1990–91 panels of the SIPP.

We reached three conclusions: First, research that focuses upon cash benefits gives a misleading picture of the extent to which immigrants receive benefits. The “welfare gap” between immigrants and natives is much larger when other programs are included. Second, immigrant households experience more and longer welfare spells, spending a relatively larger fraction of their time participating in some means-tested programs than do native households. Third, the types of welfare benefits received by earlier immigrant waves influence the types of benefits received by newly arrived immigrants, suggesting the existence of networks of information within ethnic communities about the availability of particular types of benefits to new immigrants.

Immigrant participation in means-tested programs

Immigrant households, we found, were more likely to participate in almost all the major means-tested programs, both noncash and cash. In the early 1990s, for instance, 20.7 percent of immigrant households received either cash benefits, Medicaid, vouchers (mainly food stamps), or housing subsidies, compared with 14.1 percent of native households. The data also reveal that the immigrant–native welfare gap rose rapidly during the last half of the 1980s. In the mid-1980s, 8.4 percent of native households and 11 percent of immigrant households participated in Medicaid—a gap of 2.6 percentage points. By the early 1990s, the gap had widened to 6 percentage points. Table 1 compares use by immigrant and native households of particular welfare programs. We used the household as the unit of analysis partly because the benefits received in some welfare programs are reported in the SIPP only at the household level, and also because country of birth, and hence immigration status, is identified only for persons aged 15 or over. Immigrant households, however, are slightly larger than native households, averaging 3.2 persons compared to 2.6 persons for native households. Thus the probability that a particular immigrant *household* is “welfare-prone” could be large even if the probability of welfare use does not differ greatly between native-born and immigrant *individuals*.³

Table 1
Average Monthly Probability that Household
Is Receiving Benefits (in percentages)

Benefit	1984-85		1990-91	
	Native	Immigrant	Native	Immigrant
Cash Benefits				
AFDC	2.8	2.6	2.9	4.4
SSI	3.7	5.1	3.7	6.5
General Assistance	0.9	1.0	0.6	0.8
Noncash Programs				
Medicaid	8.4	11.0	9.4	15.4
Food stamps	6.6	7.6	6.5	9.2
WIC	1.4	1.8	2.0	3.0
Energy assistance	2.9	2.8	2.3	2.1
Housing assistance	4.0	5.7	4.4	5.6
School meals	5.7	10.1	6.2	12.5
No. of households	12,630	914	25,340	2,449

Source: Survey of Income and Program Participation, 1984, 1985, 1990, and 1991.

Cost of benefits received

The SIPP reports the dollar value of cash benefits and vouchers received, but there is no information on the value of Medicaid services, housing subsidies, or school meal subsidies. We used state and national administrative data to impute a dollar amount received by a household under each of these programs. To calculate the value of the benefits received under Medicaid, for example, we multiplied the number of persons in the household covered under Medicaid by state estimates of the cost per recipient. In the early 1990s, immigrant households contained 8.8 percent of all persons in the country yet, based upon SIPP data, they accounted for 13.8 percent of the costs of AFDC, Supplemental Security Income (SSI), the Food Stamp program, Medicaid, and subsidized school meals.

Differences among immigrant households

From the SIPP data, some immigrant groups showed a much higher propensity to use welfare than others. About 36 percent of households originating in Mexico, 42 percent of those in the former Soviet Union, and 50 percent of those originating in the Dominican Republic received some type of benefit (cash benefits, Medicaid, vouchers, or housing subsidies). Among native groups with high participation rates, 33 percent of Hispanic natives and 39 percent of black natives participated in some welfare program.

Does the difference between refugee and nonrefugee households explain the high welfare usage rates? The SIPP data do not report whether a particular household entered the United States with a refugee visa; thus we assumed that immigrants originating in the main refugee-sending countries were refugees.⁴ Rates for refugees were certainly higher: of the 312 households so identi-

fied in the 1990-91 SIPP, 29.9 percent were receiving at least one of the cash or noncash benefits, compared to 25.5 percent of nonrefugee immigrants (2,137 households). Both rates are substantially larger than the 14.1 percent of native households that participated in some welfare program.

Time spent on welfare

Using a definition of welfare that included cash benefits, Medicaid, and vouchers, we found, from the 1990-91 SIPP data, that 68.7 percent of immigrant households did not participate in any of these programs at any time during the 32-month period they were included in the panel. Among native households, 77.3 percent never participated. Moreover, 10.3 percent of the immigrant households received welfare benefits throughout the entire 32-month period, as compared to only 7.3 percent of native households. We also calculated that in the early 1990s, immigrant households had a 24.2 percent probability of experiencing one spell of welfare, and a 7.2 percent probability of experiencing at least two spells; the probabilities for native households were 17.8 percent and 5.9 percent, respectively. Thus immigrants were more likely to be exposed to the welfare system and also more likely to become long-term recipients.

Analyzing the differences between immigrants and natives

Do differences in observable demographic characteristics between native and immigrant households in the SIPP explain the welfare gap and the growth in immigrant reciprocity between the mid 1980s and early 1990s? We estimated that differences in household composition, including the age and gender of its members, account for 1-2 percentage points of the gap. Adding variables for socioeconomic background, including the age, education, and gender of the householder, helps explain another 2-3 percentage points. In other words, the immigrant households tended to receive more welfare not because they were immigrants, but because their socioeconomic characteristics were highly correlated with welfare use. When the unemployment rate of the immigrant household's state of residence, and the race and national origin of household members were incorporated into the analysis, the welfare gap between immigrant and native households was reduced, in sum, by about 5 percentage points.

Analyzing the differences among immigrant groups

Although differences in observable socioeconomic characteristics explain why the "typical" immigrant household is more likely to receive welfare than the "typical" native household, there are, as already noted, many differences within the immigrant population. Earlier research with synthetic cohorts created from census data has suggested that more recent immigrant cohorts are more likely to participate in welfare programs than earlier cohorts and also that immigrants in a particular co-

hort are more likely to receive benefits the longer they have lived in the United States.⁵ These trends were also observable among immigrant households in the SIPP. We found, first, that the welfare participation rate of those who migrated after 1985 exceeded the welfare participation rate of those who entered the United States in the early 1970s by about 15 percentage points. Second, the probability of welfare receipt among immigrant households increased by about 4 percentage points, relative to the native-born, over the five-year period during which the family was followed. Finally, immigrant households that arrived in the United States at a later point in the life cycle were more likely to receive welfare benefits.⁶ These differences remained even after demographic characteristics such as household size and composition, the householder's socioeconomic characteristics, state of residence, race, and national origin were taken into consideration. We concluded that changes in such characteristics accounted for only about half of the cohort effects seen between the early 1960s and early 1980s.

The trend among recent immigrants toward greater welfare participation was strongest for Medicaid. The probability of Medicaid coverage for immigrants who arrived after 1985 exceeded the probability for immigrants who arrived between 1970 and 1974 by 15.8 percent. There also existed an aging effect: relative to natives, the probability that an immigrant household received Medicaid benefits increased by 4.9 percent over a five-year period.

Networks, national origin, and welfare participation

The SIPP data show that some immigrant groups appear to be disproportionately represented in particular programs. For example, even though Mexican immigrants were 50 percent more likely to receive energy assistance than Cuban immigrants, Cuban immigrants were more likely to receive housing subsidies. Anecdotal evidence suggest that ethnic communities transmit some information regarding welfare programs to potential or newly arrived immigrants. We investigated this possibility by examining the extent to which the participation of newly arrived immigrants in particular programs depended upon the participation history of the existing immigrant stock of the same national origin. There existed positive and significant correlations: after holding constant the household's demographic background, the overall propensity of the national-origin group to receive some type of welfare benefit, and the generosity of the state of residence, we found that the more "exposed" a group had been to participation in a particular program in the past, the larger the likelihood that new immigrants from the same group were also participating in that program. The evidence from the SIPP suggests that a 10-percentage-point increase in the fraction of the immigrant stock who receive a particular program implies about a 10-percentage-point increase in the probability that a newly arrived

immigrant also receives benefits from that program. The networks of job information and hiring practices within ethnic communities have long been a familiar part of the American scene. Even granted the difficulty of allowing for all the possible factors that might affect a recent immigrant household's decision to apply for a particular program, these findings are consistent with the existence of networks of welfare information within the immigrant community, organized along ethnic lines.

Limitations of the SIPP data

The empirical evidence reported here has clear policy implications, but it has limitations. The short sample period in the SIPP precludes a full analysis of the dynamics of welfare dependency among both immigrant and native households. Little is known, moreover, about economic and social outcomes, and hence welfare dependency, among second-generation Americans. Nor did we analyze the net economic impact of immigrant welfare reciprocity; such "accounting exercises" are largely beside the point. To assess the net impacts of the trends in immigrant receipt of welfare, one must account for the long-run benefits of such programs as subsidized meals or the Women, Infants and Children nutrition program (WIC) in improving the health of immigrant children. At the same time, it is necessary to determine whether welfare programs reduce the work incentives of current immigrants or change the nature of the immigrant flow by influencing the migration decisions of potential immigrants. ■

¹This article summarizes the paper by George J. Borjas and Lynette Hilton, "Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs," *Quarterly Journal of Economics* 111, no. 2 (May 1996): 575-604, which is used here by permission.

²From Table 2, on p. 4, about 31 percent of the foreign-born were naturalized citizens in 1994.

³To determine the sensitivity of their results to the choice of unit, we also calculated participation rates for individuals. The SIPP reports whether a person was covered by AFDC, SSI, GA, other cash benefits, Medicaid, WIC, and the Food Stamp program. For the sample of individuals over 15, the probability that a person was covered by at least one of these programs was 11.9 percent for immigrants and 7.7 percent for natives. Neither attrition rates from the sample (23.1 for immigrants and 22.3 for natives) nor the inclusion of "split-off" households (households formed from existing households in the sample) were found significantly to change the welfare gap.

For another discussion of the differences that follow from choosing either the household, the family, or the individual as the unit of analysis, see the article by Bean and colleagues, this issue, pp. 40-45.

⁴Those identified in the SIPP are Cuba, the former Czechoslovakia and U.S.S.R., Hungary, Poland, and Vietnam.

⁵See, for example, George Borjas, "Immigration and Welfare, 1970-1990," *Research in Labor Economics* 14 (1995): 251-280.

⁶On this same subject, see also the following article by Wei-Yin Hu.

Elderly immigrants on welfare

Wei-Yin Hu

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Among immigrants to the United States, welfare use is most heavily concentrated among those over 65.¹ In 1989, welfare participation rates among individuals aged 18–64 were 3.8 percent for natives, 3.9 percent for immigrants; but among those 65 and older, participation rates were 6.9 for natives and 13.6 percent for immigrants.² Welfare participation takes a discrete jump at age 65, suggesting that welfare use by the elderly is a phenomenon distinct from welfare use by the working-age population (see Figure 1). Moreover, elderly immigrants form a rapidly growing portion of the welfare population. In the 1980s and early 1990s, the total number of elderly recipients of Supplemental Security Income (SSI)—the main federal cash welfare program for the elderly—remained essentially stable, but the number of noncitizen recipients, both aged and disabled, rose from 127,000 in 1982 to 738,140 in 1994.³ These facts alone call for an analysis of immigrant welfare participation that focuses on the elderly. The topic is the more urgent because, as part of the welfare reform legislation passed in August 1996, most elderly immigrants who are not naturalized citizens will be denied eligibility for welfare programs such as SSI.

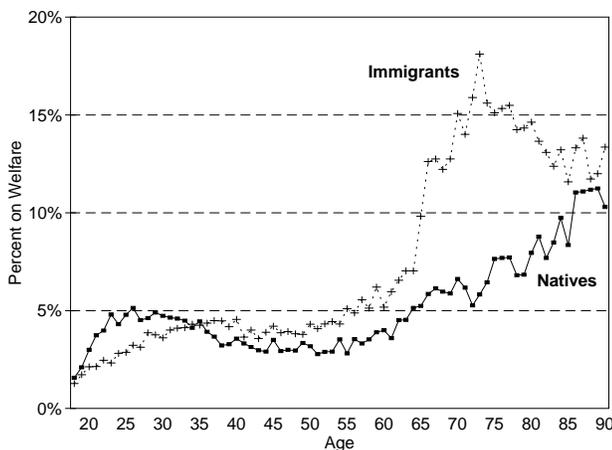


Figure 1. Welfare receipt by immigrants and natives in 1990, by age. Source: U.S. Census 5 percent PUMS 1990.

Using data from the 1980 and 1990 censuses, I examined the reasons for the higher use of welfare by elderly immigrants and for the growth in their welfare use during the 1980s. The evidence clearly indicates that immigrants who arrive after age 55 are significantly more likely to

use welfare after they turn 65 and become “elderly” than is the typical immigrant who arrives during prime working years. The effect of age at arrival is not explained away by differences in social security benefits between immigrants who arrived when young and those who arrived when old. Nor is increased welfare use simply a function of poverty per se, whether because of low income or poor labor market performance. Although low incomes are necessary to qualify for welfare benefits, the decision to take up benefits is an important element. Finally, I found that the sharp rise in elderly immigrants’ use of welfare during the 1980s was mostly due to higher welfare participation rates of *new* immigrants.

The analysis looks at welfare use by all elderly immigrants included in the 5 percent Public Use Samples (PUMS) of the Census, and compares them with a 1 in 10 sample of natives.⁴ Use of census data presents some difficulties. For example, the Census asks only when individuals *came to stay* in the United States and groups the possible responses within year ranges—before 1950, 1950–59, 1960–64, and so on. Thus it may not accurately measure how long an immigrant has actually been in the United States. Indeed, anecdotal evidence suggests that many immigrants from nearby countries, particularly seasonal agricultural workers, go back and forth frequently.⁵ I calculated date and age of arrival by assigning the midpoint of the time interval chosen by the respondent. Nor does the Census distinguish between refugees/asylees and landed immigrants. I defined an immigrant as a refugee if more than 50 percent of those who arrived from the same country of birth in the same cohort were classified as refugees by the Immigration and Nationalization Service. The Census asks only how much public assistance income an individual received in the preceding year; it neither identifies the program nor provides information on in-kind benefits such as food stamps and Medicaid. I defined a couple as “on welfare” if either member reported welfare income. Among the elderly, the evidence suggests that the vast majority on welfare are receiving SSI; for example, data from the 1990 panel of the Survey of Income and Program Participation (SIPP), which does give information about the separate sources of public assistance income, show that 80 percent of those elderly who reported receiving means-tested benefits were SSI recipients.

From Table 1, it is immediately clear that any study of welfare use by immigrants must distinguish between refugees and landed immigrants. Elderly refugees have higher rates of welfare recipiency and receive larger amounts; elderly immigrants, in turn, have higher recipiency rates than natives. Several hypotheses might

Table 1
Elderly Couples and Individuals
Receiving Welfare Benefits

Immigration Status	1980 on Welfare	Average Benefit ^a	1990 on Welfare	Average Benefit ^a
Natives	10.7%	\$3,325	8.6%	\$3,716
All Immigrants	12.6	3,873	15.3	4,319
Nonrefugees	12.7	3,850	14.9	4,182
Refugees	11.8	4,078	18.4	5,144

Source: U.S. Census 5 percent PUMS, 1980 and 1990.

Note: “Welfare” refers to cash benefits only. “Elderly” includes population over age 65.

^aAverage received among those who received any benefits. Dollar amounts in constant 1989 dollars.

explain the gap between elderly natives and elderly immigrants:

1. Immigrants might be attracted to the United States by its welfare benefits for the elderly, which are more generous than the pension schemes of those countries in which most immigrants to the United States originate.
2. Recent immigrants might lack earnings histories long enough to qualify them for social security benefits, which require a record showing 40 quarters of covered employment. Many might also have incomes low enough to qualify them for SSI.
3. Selective outmigration by successful immigrants might leave poorer elderly immigrants in the United States.
4. Elderly immigrants may have intended to rely on family sources of support, but these income sources are or become inadequate, making the immigrant eligible for SSI.

The first two hypotheses suggest that age at arrival may have a strong influence on welfare participation. First, immigrants who come to the United States intending to rely upon SSI would be more likely to wait till near retirement age to move. Second, immigrants who come to the United States after the age of 55 will typically not work the full ten years necessary to qualify for social security. From Table 2, it can be seen that, in 1990, nonrefugee immigrants who came to the United States after age 55 are 20 percentage points more likely to be on welfare than those who immigrated at younger ages. The fraction that immigrated at an older age was slightly larger than in 1980.

Analyses of the assimilation of elderly immigrants into the welfare system that are based upon the census data show a large jump in welfare participation after five years in the United States, for both nonrefugees and refugees (see Figure 2A). This effect is quite possibly due to the end of the period during which the incomes of sponsors of immigrants are no longer deemed applicable

Table 2
Welfare Participation among Elderly Immigrants,
by Age at Arrival

Immigration Status	% Migrated after Age 55	% on Welfare	
		Migrated before Age 55	Migrated after Age 55
1980			
Nonrefugees	17.4	10.4	24.0
Refugees	17.7	7.0	34.5
1990			
Nonrefugees	17.4	11.3	32.2
Refugees	26.3	7.3	49.4

Source: U.S. Census 5 percent PUMS, 1980 and 1990.

Note: “Welfare” refers to cash benefits only. “Elderly” includes population over age 65.

to their eligibility for welfare. Beyond the first ten years in the United States, however, nonrefugee immigrants experience very little assimilation into or out of the welfare system, whereas welfare participation drops substantially for immigrants from refugee countries. Age at arrival has a very large effect, as in the earlier calculations: in the regressions, immigrants who enter the United States after age 55 are 5–13 percentage points more likely to be on welfare than those who come before age 55.

It is easier to observe the size of the age-at-arrival effect than to explain it. Among potential explanations:

1. Those who immigrate at older ages are more likely to come under some form of family preference visa than under occupational preference categories, which heavily favor immigrants in professional and skilled occupations. They are thus less likely to come with assets or earnings potential that would render them ineligible for welfare (see Table 1, p. 3). Indeed, if the analysis of welfare participation takes into account factors that affect labor market performance, such as age, race or ethnic minority status, and education, elderly immigrants appear to have *lower* propensities to use welfare than do elderly natives. But such relatively simple analyses do not help answer many more complicated life-cycle questions. For example, did immigrants’ use of welfare rise during the 1980s because earlier immigrants “aged into” the welfare system or because of new immigrants with higher welfare propensities? It is, moreover, important to understand the assimilation process in welfare reciprocity: immigrants selected for such characteristics as high educational attainment do not necessarily stay off the welfare rolls, and immigrants whose poor education or lack of skills put them in early need of welfare assistance may quite rapidly leave the welfare system (see Figure 2B).

2. As already noted, immigrants who come after age 55 are unlikely to work long enough to qualify for social security and Medicare; does the substitution of SSI for social security retirement income explain the age-at-ar-

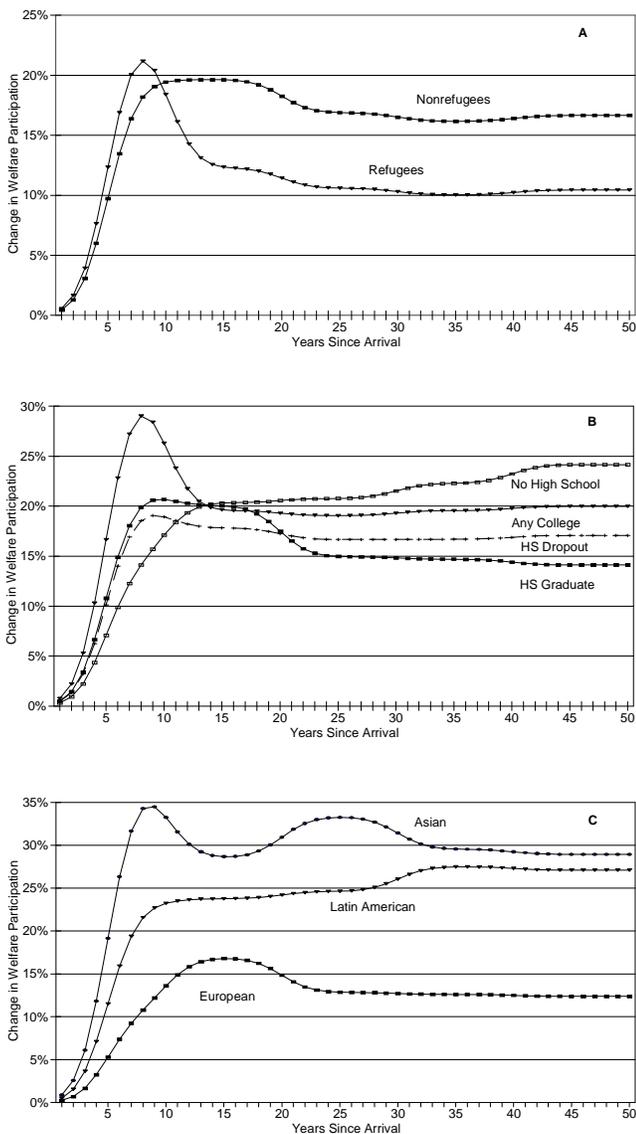


Figure 2. Welfare participation among immigrants over 65: Estimated participation profiles in 1990. A: By refugee status; B: By education; C: By continent of origin.

Source: Author's calculations from 1980 and 1990 Census 5 percent PUMS.

rival effect? Under the hypothesis that age at arrival is merely a proxy for social security benefits, adding social security benefits to the analysis should reduce the age-at-arrival effect. This does not, however, occur.

3. Do immigrants who arrive after age 55 live in high-benefit states? There are substantial differences in state supplements of the federal SSI benefit; thus an immigrant who lives in a high-benefit state will be more likely to qualify for welfare than a native with the same income who lives in a less generous state. Roughly two-thirds of elderly immigrants live in six states—California, New York, Florida, Texas, Illinois, and New Jersey. I included in the analysis the combined federal and state monthly benefit, state unemployment rate, state fixed effects, and a variety of household characteristics, including marital

status, size of household, number of adults and children, and presence of disability. None of the analyses suggested that immigrants who arrive after age 55 choose to live in higher-benefit states than does the average elderly immigrant.

The age-at-arrival effect is large for all groups, and cannot be remedied by simple immigration policies based on education or country of origin. Although educational attainment among successive groups of immigrants has risen, it has not kept pace with rising attainment among the native-born. We might hypothesize two effects from this increasing education gap. First, it may increase immigrants' reliance on welfare programs relative to the native-born. Second, the degree of assimilation may differ among immigrant groups of different educational levels: for example, college-educated immigrants may move rapidly into very good jobs whereas less-educated immigrants are at a disadvantage because of their limited skills or English-language proficiency. Yet, surprisingly, analysis of welfare status by education group showed that migration after age 55 had a large effect on welfare participation for all education groups (Figure 2B): the difference in welfare participation among college-educated elderly immigrants as opposed to those with no high school education is only 6 percentage points (it is 10 percentage points among natives).

Country of origin proves to be an equally inadequate explanation. An increasing share of new immigrants come from Asia and Latin America. We might hypothesize that some immigrant groups are able to assimilate in a way that reduces their reliance on welfare programs. Certainly, separate analyses for immigrants (including refugees) from different continents of origin show large differences across groups (see Figure 2C). After the first 10 to 15 years, however, the assimilation profile within each group is once again flat.

Welfare participation consists of two components: eligibility and takeup. The jump in immigrants' participation in welfare after five years' residence is, as already noted, most likely because they become eligible. Whether or not immigrants apply for welfare for which they have become eligible may in part be a matter of cultural attitudes—in some countries there is less stigma attached to receiving government benefits than in others. Limited English skills and lack of familiarity with the welfare system may, however, impede takeup of welfare benefits by some of the eligible population.

Estimating takeup rates, from the imperfect data available, can produce only approximate answers. SSI imposes an asset limit for eligibility.⁶ The Census does not provide information regarding assets, but the SIPP does; it also, as noted, identifies the program in which a welfare recipient is enrolled. Table 3 compares estimates of imputed eligibility and takeup rates for the elderly based upon the SIPP and upon census data. The SIPP is known

Table 3
Imputed SSI Eligibility and Takeup Rates among the Elderly

Status ^a	Natives	Immigrants
SIPP 1990: Asset test applied		
Eligible	8.1%	11.6%
Takeup rate	55.5	57.1
SIPP 1990: Asset test ignored		
Eligible	11.1	18.7
Takeup rate	41.8	40.6
Census 1980 ^b		
Eligible	27.6	36.3
Takeup rate	29.4	28.8
Census 1990 ^b		
Eligible	21.0	38.2
Takeup rate	29.1	35.0

Source: U.S. Census 1980 and 1990 5 percent PUMS. SIPP: 1990 panel.

Note: “Elderly” includes those over age 65, some of whom may be receiving SSI-disabled. The SIPP excludes 6 percent of the elderly who are institutionalized. Analysis of the 1990 Census sample shows that the institutionalized have no higher welfare participation rates than the noninstitutionalized. They do have higher imputed eligibility rates, but not enough to account for the discrepancy between the SIPP and the Census.

^aEligibility determined according to benefit level in the state of residence in January 1991.

^bAsset information not available in Census data. Imputed eligibility rates use annual income.

to overestimate the eligibility for welfare of immigrants subject to income deeming, illegal immigrants, and immigrants amnestied after 1986 under IRCA (such immigrants were excluded from most welfare programs during the first five years). But neither this nor other differences in the immigrant sample help explain the discrepancies between the SIPP and the census data. The SIPP data show no difference in takeup rates between immigrants and natives in 1990; the census data, for which eligibility is imputed from annual income, show a 6-percentage-point difference. The SIPP results suggest that the higher takeup rate in the Census may not be accurate.

Do takeup rates change as immigrants assimilate, or with age at arrival? The 1990 SIPP panel yields 307 elderly immigrant couples or individuals, thus only a few dozen immigrant welfare households—far too small a sample to allow us to disentangle assimilation, age-at-arrival, cohort, and time effects. But some useful insights can be drawn from the census data. Imputed takeup rates jump after the first five years, probably because five years is the income deeming period. Refugees, as in the earlier findings, show substantial assimilation out of the welfare system after ten years or so. Age at arrival once again has large effects, suggesting that immigrants who come later in life have higher welfare participation rates both because they have lower incomes and because they have a higher propensity to apply for benefits if eligible.

How much of the change in elderly immigrants’ participation in welfare between 1980 and 1990 is due to assimilation by immigrants who were here in 1980, how much to those older immigrants who arrived after 1980? Immigrants who were aged 55–64 in 1980 had a welfare participation rate of 13.5 percent in 1990—almost the same as the rate for older immigrants who came before 1980.⁷ In contrast, immigrants who entered in the 1980s and were elderly in 1990 had a welfare participation rate of 30.8. It is clear that these new arrivals were responsible for the bulk of the increase.⁸

The vast majority of immigrants come before or during the prime work years of 25–55; only 19 percent of elderly immigrants in 1990 came to the United States after age 55. Nonetheless, this group is up to 15 percentage points more likely to be on welfare than elderly immigrants who arrived when young, and they represent a disproportionately large share of the welfare costs of immigrants—32 percent of benefits received by all elderly immigrants go to those who arrived late in life. But the size of this effect should not be exaggerated: those who migrated after age 55 account for just 4.5 percent of the U.S. elderly welfare caseload, and 5.6 percent of all cash welfare expenses for the elderly. ■

¹The research summarized in this article is fully reported in Wei-Yin Hu, “Elderly Immigrants on Welfare,” Department of Economics Working Paper no. 750, UCLA, March 1996.

²These figures were calculated by the author from the 1990 U.S. Census 5 percent PUMS sample. “Welfare” refers to cash welfare; the census data do not include information on other kinds of welfare receipt. “Immigrant” is understood to include all foreign-born, whether or not they are naturalized citizens. Throughout the article, the term “elderly” is used to refer to those over the age of 65. In the case of couples, either member may be over 65.

³SSI recipients classified as disabled accounted for 36,000 recipients in 1982 and 298,140 recipients in 1994. The elderly constituted 1,530,289 of SSI recipients in 1984 and 1,474,852 in 1993: U.S. House of Representatives, Ways and Means Committee, *Overview of Entitlement Programs: 1994 Green Book* (Washington, D.C.: U.S. Government Printing Office, 1994), Table 6.1.

⁴SSI participation is calculated either for elderly couples or unmarried elderly individuals.

⁵On this issue, see M. Ellis and R. Wright, “When Immigrants Are Not Migrants: Counting Arrivals of the Foreign-Born Using the U.S. Census,” Nelson A. Rockefeller Center for the Social Sciences Working Paper 2, Dartmouth College, March 1996.

⁶Under SSI, the asset limits are \$3,000 for a couple and \$2,000 for an individual, excluding home equity and the value of an automobile up to \$4,500.

⁷Analysis of the group of immigrants who were both elderly in 1980 and in the United States by 1980 showed that assimilation, not education, race or ethnicity, or cohort effects, was the biggest factor in increasing their welfare participation.

⁸On the same subject, see also M. Fix and J. S. Passel, *Immigration and Immigrants: Setting the Record Straight* (Washington, D.C.: The Urban Institute, 1994), pp. 63–65. Their calculations from the 1990 Census indicates that 25 percent of immigrant individuals who are over 65 and who arrived after 1980 are recipients of public assistance.

Medicaid use by children of immigrants

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Medicaid, the public health insurance program for low-income families, consumes two-thirds of all federal spending on public assistance; in 1994, federal Medicaid expenditures were approximately \$79 billion.¹ It is not clear what part of these costs is attributable to use by legal immigrants. In 1994, Rebecca Clark, of the Urban Institute, estimated that total Medicaid expenditures for immigrants were \$16.6 billion annually.² A year later, the Congressional Budget Office (CBO) estimated that excluding most legal immigrants from Medicaid would save \$7.7 billion in federal welfare benefits between 1996 and 2000. This amount is nearly one-third of all the savings that the CBO projected from a ban on public assistance to immigrants. Yet in its analysis the CBO devoted barely one-third of a page to Medicaid, commenting that there were no data on immigration status for Medicaid recipients who were not also receiving cash payments, nor for immigrants' use of emergency medical care under Medicaid. By comparing the demographic characteristics of people receiving cash and noncash benefits, CBO estimated that 6.5 percent of all Medicaid recipients might be legal immigrants. This percentage, said the CBO authors, would translate into approximately 2.4 million people in 1996.³ George Borjas and Lynette Hilton, using 1990–91 data from the Survey of Income and Program Participation, estimated that, on average, 15.4 percent of immigrant households were on Medicaid in any month during this period (see their article in this *Focus*, p. 47).

Under the welfare bill signed in August 1996, states may bar most current legal immigrants from Medicaid; current recipients are eligible to continue receiving benefits until January 1, 1997. New immigrants will not be eligible for Medicaid until five years after their arrival, and the states have the option to extend that ban until citizenship. (Emergency medical care and essential public health services such as immunizations will still be provided.) Given widely disparate estimates and a dearth of solid data, policy makers can only speculate about the possible consequences, both for access to essential health care services and for the public costs of providing health care.

One of the very few sources of available information is the National Health Interview Survey (NHIS), which interviews a large, nationally representative cross-section of American families each year.⁴ Beginning in 1989, the

NHIS asked all foreign-born adults how long they had lived in the United States, grouping the responses into the same time ranges as the Census does. In a recent study, I used data from the 1989 and 1992 waves of the survey to examine the differences between the use of Medicaid by children of immigrants and children of the native-born, a matter of particular interest given the rapid expansion in Medicaid coverage of children that occurred over the 1980s.⁵ The Medicaid eligibility of each child was evaluated using family circumstances and the variation among states in eligibility thresholds, in the year in which coverage was expanded, and in the age of children covered. Table 1 summarizes the NHIS data on Medicaid use—both formal coverage and utilization of care—among children of immigrant and native-born families. It presents nationwide data and data for states that are absorbing a disproportionately high share of immigrant inflows: Arizona, California, Florida, Texas, New Mexico, and New York.⁶ Sixty-four percent of the children of immigrants in the sample lived in these six states, as opposed to only 27 percent of the children of the native-born.

Table 1 shows that children of immigrants are less likely than children of the native-born to have private health insurance and more likely to be eligible for Medicaid.⁷ According to these estimates, 35 percent of the children of immigrants were eligible for Medicaid over this time period, compared to only 21 percent of the children of the native-born. Nearly half of all children of “new” immigrants (those who had arrived within the previous ten years) were judged to be eligible. Average takeup rates were, however, *lower* among eligible immigrants: approximately 50 percent of Medicaid-eligible children of immigrants actually had formal Medicaid coverage, compared to 66 percent of eligible children of the native-born (from Table 1, rows 2 and 3). Becoming eligible for Medicaid increased the probability of coverage for all children by between 13 and 21 percentage points. That probability was smallest for children of new immigrants, those in the United States less than ten years.

Among immigrant families, though not among families of the native-born, the probability that the family has no insurance *rises* with eligibility for Medicaid, suggesting that some families may drop or lose private insurance coverage without formally taking up Medicaid coverage.⁸ Dropping private insurance may be a rational response if the health of one's children is not thereby put at risk. The utilization figures discussed below suggest that this may be the case. Low-income immigrant parents may be more likely than the native-born to work for small employers who offer insurance at less favorable rates than large companies, if they offer it at all. The effect is particularly pronounced among new immigrants,

Table 1
Children under 15 Years of Age in the National Health Interview Survey: Eligibility, Coverage, and Utilization of Care

Insurance Status and Utilization of Care	All Native-born	All Immigrants	Immigrated within Last 10 Years	High-inflow States ^a	
				Native-born	Immigrants
<i>N</i>	44,665	8,256	2,898	11,966	5,295
Insurance Status (%)					
Medicaid-eligible	21	35	47	23	42
Medicaid coverage	13	17	22	15	20
Private health insurance	72	56	46	68	49
No insurance	13	25	30	16	30
Eligible in child's st./age/year	25	28	30	27	29
Utilization of Medical Care					
Medicaid-eligible					
No visit in past year (%)	17	20	20	16	20
No. of doctor visits last year, if any visits ^b	4.30 (3.66)	3.57 (4.12)	3.49 (5.18)	4.33 (4.61)	3.41 (4.85)
Not Medicaid-eligible					
No visit in past year (%)	18	20	19	18	22
No. of doctor visits last year, if any visits ^b	3.97 (1.90)	3.39 (3.29)	3.68 (6.16)	4.14 (4.61)	3.27 (4.33)

Source: National Health Interview Survey, 1989 and 1992 panels.

^aArizona, California, Florida, Texas, New Mexico, and New York.

^bStandard errors in parentheses. Means calculated using annual weights.

who have the lowest rates of private insurance of all families in the sample and for whom formal enrollment may present the most formidable hurdles of language and documentation. It is also large in high-inflow states. Because of this crowding-out effect, my estimates suggest that, although the costs of providing the additional services consumed by the newly eligible are small (as discussed below), as much as one-quarter of the costs of services that were already being provided to immigrant children may have been shifted from private to public insurers.

The large difference in the probability of having health insurance coverage was not, however, associated with large differences in utilization of care. Becoming eligible for Medicaid dramatically reduced the probability, for both immigrants and nonimmigrants, that a child went without a doctor's visit in the previous year. For children of immigrants, the effect was twice as large as for nonimmigrants; eligibility among immigrant children was associated with a 29–39-percentage-point reduction in the probability of no doctor's visit in the previous year. (Pediatric guidelines recommend at least one visit a year for most children; thus the absence of such a visit suggests that the family has a problem with access to medical care.) For basic preventive health care, the first visit to a doctor is probably the most important; absent actual illness, the marginal benefits of care are likely to decrease with successive visits, as the total cost of care increases. I also found that eligibility had no significant effect on the number of doctor visits among children of either immigrants or native-born (see Table 1).⁹ Thus, in terms of the utilization of care, the main effect of becoming

eligible for Medicaid was to induce children who had previously received no care to have one doctor's visit.

Why do coverage and utilization show different patterns? Perhaps because it is often possible for eligible children to obtain acute services even if they are not formally covered under Medicaid. There is considerable evidence that hospitals are able to determine relatively quickly whether someone is likely to be Medicaid-eligible and that Medicaid-eligible patients, like patients with insurance, receive better care (with greater certainty).¹⁰ If immigrants face higher "transaction costs" of enrolling in Medicaid, then they may choose to forgo those costs and remain uncovered, knowing that acute care will be provided under the program as necessary. And immigrant parents may indeed face higher "costs": difficulties in supplying the necessary supporting documents, language difficulties that complicate following procedures and keeping appointments, residential segregation that may make it difficult to get to an enrollment center, and fear of harassment by the authorities if other members of the family are undocumented, even though the children themselves may be native-born.

From these analyses, it is possible to draw two conclusions.

First, there are systematic differences between coverage and utilization that have not previously been noted. These differences suggest that using administrative data on Medicaid coverage and average Medicaid costs per child enrolled in the program are likely to give misleading estimates of the probable effects of curtailing—or

expanding—Medicaid eligibility for children of immigrants. They also suggest that it is important to distinguish between types of utilization.

Second, restricting the Medicaid eligibility of immigrant children might reduce public costs by shifting more of the burden of providing insurance for acute care to private insurers. But if the Medicaid expansions that are studied here are any guide, such a shift would also increase the number of immigrant children going without any basic medical care, and it might not have a large impact on the total public costs of providing medical care, if acute care continues to be provided on the basis of need. ■

¹For a general review of Medicaid, see Barbara Wolfe, “A Medicaid Primer,” *Focus* 17, no. 3 (Spring 1996): 1–6.

²R. Clark, “The Costs of Providing Public Assistance and Education to Immigrants,” Urban Institute, Washington, D.C., May 1994. Clark estimated that since two-thirds of Medicaid expenditures are for the elderly, costs for children amounted to about \$5.5 billion.

³CBO estimated \$23.4 billion in savings of federal benefit payments from the four biggest federal programs, AFDC, SSI, Food Stamps, and Medicaid. Congressional Budget Office, “Immigration and Welfare Reform,” February 1995, pp. 27, 32.

⁴The data cover approximately 100,000 individuals and 30,000 children less than 15 years of age. The survey identified whether or not parents were born outside the United States and, if foreign-born, when they arrived. It did not identify naturalization status or whether children were foreign- or native-born. Immigrant families were larger and were more likely to include other adult relatives, both male and female. A comparison of the characteristics of immigrant and native-born sample members shows the following:

	Native-born	Immigrant
Black	17%	9%
Hispanic	5%	43%
Female-headed family	22%	16%
Family size	2.26	2.56
Family income <\$10,000	11%	14%
Education < high school		
Fathers	15%	37%
Mothers	18%	42%
Residence		
Central city	23%	46%
Rural	26%	7%

⁵“Do Children of Immigrants Make Differential Use of Public Health Insurance?” RAND Labor and Population Program Working Paper 96-13, July 1996.

⁶“High inflow” states are defined as states in which a higher percentage of total state population is foreign-born—hence the inclusion of states such as New Mexico, where absolute numbers of immigrants are relatively small.

⁷This result is consistent with research showing that children of immigrants are more likely to be eligible for cash assistance programs such as AFDC because immigrants tend to be poorer than the native-born, e.g., G. Borjas, *Friends or Strangers: The Impact of Immigrants on the U.S. Economy* (New York: Basic Books, 1990); M. Tienda and L. Jensen, “Immigration and Public Assistance Participation: Dispelling the Myth of Dependency,” *Social Science Research* 15 (December 1986): 372–400; S. Trejo, “Immigrant Welfare Reciprocity: Recent

Trends and Future Implications,” *Contemporary Policy Issues* 10 (April 1992): 44–53.

⁸OLS estimates suggest a small negative effect for the native-born, a larger one for immigrants. TSLS estimates are positive for the native-born, but remain negative for immigrant families. The circumstances under which expansions of Medicaid coverage are likely to “crowd out” private insurance coverage have been examined by D. Cutler and J. Gruber, “Does Public Insurance Crowd Out Private Insurance?” *Quarterly Journal of Economics* 7, no. 2 (May 1996): 391–430.

⁹Hospitalizations are much more expensive than doctors’ visits, but only about 3–5 percent of children are hospitalized in any year, compared to the approximately 80 percent who see a doctor; thus inferences about differences in hospitalization rates between children of immigrants and the native-born would be based upon very small sample sizes.

¹⁰Evidence from before the Medicaid expansions suggests that Medicaid take-up among children on AFDC was high, but that only about one-quarter of children eligible for other reasons actually took up coverage. For a summary of research on the effects of the Medicaid expansions themselves, see “Expanding Eligibility for Medicaid: What Does It Accomplish?” *Focus* 17, no. 3 (Spring 1996): 16–22.

The use of food assistance programs by elderly Hispanic immigrants in Massachusetts

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In 1994, 38.5 percent of Hispanics in the United States were foreign-born, and only about two in ten were citizens. Moreover, the Hispanic population accounts for a significant proportion of the poor, especially among the elderly.¹ How seriously will they be affected by the passage of laws excluding immigrants from most forms of public assistance?²

The Massachusetts Hispanic Elders Study (MAHES) began in 1992, and continues to produce social and epidemiological data on the living circumstances, income, health, and nutritional status of a sample of the Hispanic population of Massachusetts aged 60 and above. We used MAHES data to examine poverty, health status, and use of public assistance programs among Puerto Ricans, Dominicans, and a sample of other Hispanics, compared with non-Hispanic whites from the same neighborhoods. Although the sample size is a small one, this work breaks new ground, for most of the meager existing research on the Hispanic elderly has focused upon the Mexican population. This article summarizes some basic findings, especially about the Dominicans. Of this group, 98 percent were foreign-born, and their average length of residence in the United States was 13.6 years at the time of the survey.³

Demographic characteristics

Table 1 presents the characteristics of the Dominicans and other Hispanics in the sample. About a third of each of the Hispanic groups were not married and living with others. Many of these were elder heads of households who were the sole caregivers of children or grandchildren. Surprisingly high percentages in all groups were living alone. Close to 90 percent of all the Hispanic elders in the sample were heads of households. The Dominicans, especially the women, have very low educational levels and also low English-language skills (nearly 100 percent of them live in households where Spanish is

normally used at home).⁴ Thus there exist formidable language barriers in the way of their communication with health care agencies and other service providers. This constitutes a potentially serious problem for an older population in which two-thirds rated their own health as “fair” or “poor.”⁵

Income

The vast majority of these elderly Dominicans were last employed in blue-collar and service occupations or in agriculture. Notably, almost one-third of the women had never worked outside the home. Dominicans were the most impoverished: their per capita income levels (\$5,753) lagged well behind those of the non-Hispanic whites in the same neighborhoods, many of whom had private pensions (\$17,411; and see Figure 1). Wages were still an important source for the Dominicans, the youngest group, and both they and the “other Hispanics” were less likely to be receiving social security or Supplemental Security Income (SSI) than were the Puerto Rican elders, who also had the highest proportion of income from welfare. Late arrival was a significant factor in poverty status: Hispanics who arrived after age 40 in Massachusetts were about twice as likely to be in poverty as those who had arrived at younger ages.⁶

Use of in-kind benefits

In examining the use of public assistance, our analyses focused upon the use of food assistance programs, in particular Food Stamps and the Food Commodity, Congregate Meals, and Meals on Wheels programs, all federally funded.⁷

Food Stamps. Among the Dominicans, about a quarter of both men and women were receiving food stamps; only the Puerto Ricans had higher reciprocity rates. Ethnicity proved to be far less significant in explaining the higher likelihood of food stamp use among these groups than did their lower education, lower income from sources such as pensions and social security, and greater poverty.

Food Commodity Program. Eligibility for the program is based upon a household income at or below 130 percent of the federal poverty line. Among the elderly Dominicans in the MAHES study, 83 percent were eligible, yet just 9 percent participated. Among non-Hispanic whites,

Table 1
Characteristics of Elderly Hispanics in the MAHES Survey

Characteristic	Non-Hispanic Whites	Puerto Ricans	Dominicans	Other Hispanics
Age				
60–64	14.4	29.2	33.8	26.7
65–74	47.5	43.9	42.7	42.6
75 and older	38.1	26.9	23.5	30.7
Living Arrangements				
Married with spouse	25.0	32.1	46.4	34.0
Not married, with others	15.6	35.4	34.8	30.0
Not married, lives alone	59.4	32.5	18.8	36.0
Education				
Males				
0–6 years	8.6	69.4	65.2	47.6
7–11 years	37.1	21.6	26.1	19.1
12 or more years	54.9	9.0	8.7	33.3
Females				
0–6 years	4.1	80.0	80.0	71.2
7–11 years	41.8	11.3	15.4	8.5
12 or more years	54.1	8.8	4.4	20.4
Occupation^a				
Males				
Prof/tech	16.7	2.9	0.0	12.5
Clerical/sales	11.1	3.8	11.1	3.1
Service	11.1	25.7	38.9	34.4
Blue-collar	51.9	44.8	38.9	50.0
Agriculture	3.7	19.0	11.1	0.0
Never worked	5.6	3.8	0.0	0.0
Females				
Prof/tech	16.3	2.6	2.5	2.5
Clerical/sales	28.3	3.9	5.0	10.4
Service	28.3	27.5	20.0	39.6
Blue-collar	17.4	34.6	42.5	22.9
Agriculture	0.0	9.2	0.0	0.0
Never worked	9.8	22.2	30.0	25.0
<i>N</i>	155	271	69	101

Source: Data from the Massachusetts Hispanic Elders Study (MAHES); authors' calculations.

^aSector of last occupation.

fewer than 50 percent of households were eligible, yet this group had the highest participation rate (14 percent). Our interviews suggest that cultural preferences regarding food play a role in the low use of this program, but so too does lack of information about how to participate or how to get to centers where food is distributed.

Congregate Meals and Meals on Wheels programs. These programs were designed not only to improve the nutritional status of older Americans but also to increase their social contacts. Here, too, participation is lower among Hispanics: about 6 percent, compared to between 9 and 11 percent of non-Hispanic whites, are enrolled in Congregate Meals and in Meals on Wheels (which serves the homebound). The Dominicans are an exception in that only 1.5 percent report using the Meals on Wheels program.

Given the low use of food programs and the high poverty and disability rates reported by the elderly Hispanics, we

also examined their level of food insecurity—whether or not they had skipped meals for lack of food or money during the previous month. The rates were approximately the same for non-Hispanic whites and for the other Hispanics: about 2 percent reported having skipped meals during the previous month. Among the Puerto Ricans and the Dominicans the rate was much higher: 8.1 percent and 7.5 percent, respectively.

The convergence of unstable work histories, poor health and impaired mobility, and limited sources of income combine to create a serious situation for many Hispanic elders. This is especially true for those who arrived at older ages, most commonly to reunite with family.⁸ Even within the limited MAHES sample, Hispanics are a very heterogeneous population: their social and economic characteristics and their level of participation in public assistance vary considerably. Nevertheless, for many in this group of the elderly, the restrictions imposed upon eligibility for federally funded benefits may well worsen

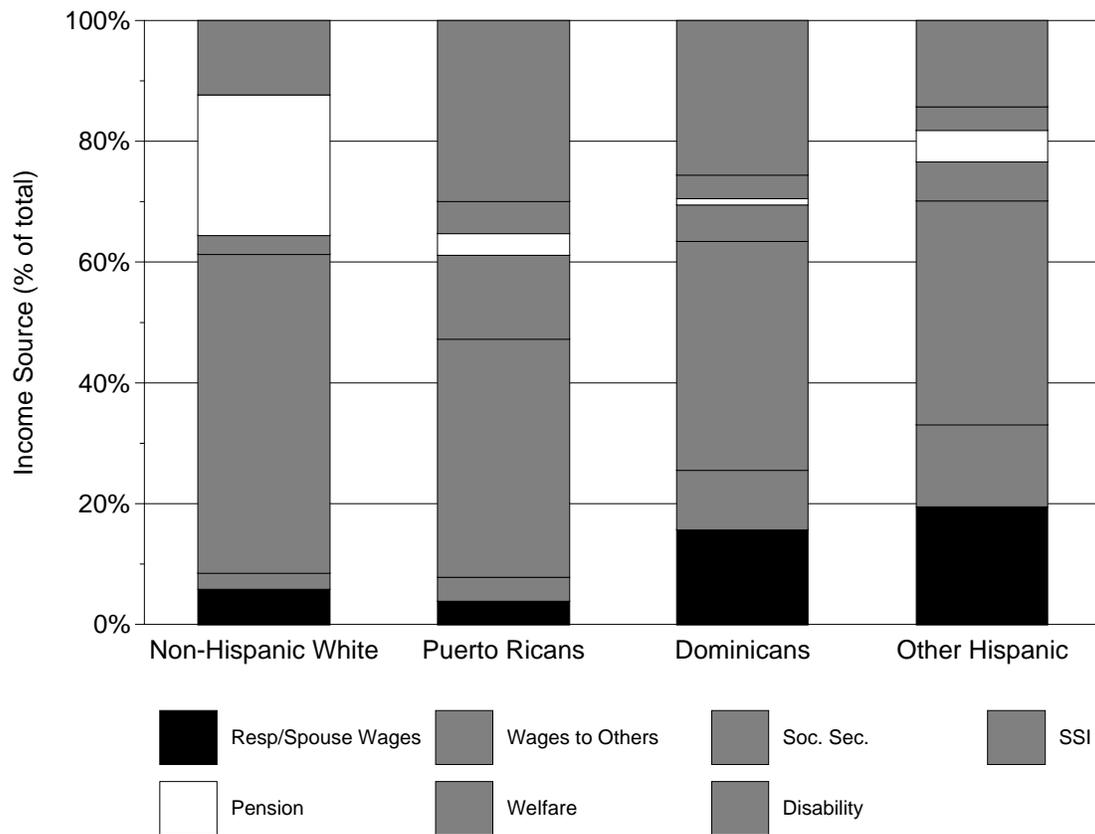


Figure 1. Sources of income for elderly Hispanics in the MAHES study. Note: “Wages to Others” means wages to person(s) other than the respondent or spouse and who appear in the household roster, such as children or other relatives.

the already high poverty levels and poor health circumstances they experience. ■

¹See K. A. Hansen and A. Bachu, *The Foreign-Born Population: 1994*, U.S. Bureau of the Census, Current Population Report P20-486, August 1995, and *The Nation's Hispanic Population—1994*, U.S. Bureau of the Census Statistical Brief, September 1995. Hispanics aged 60 and above now compose about 5 percent of the total U.S. population over 60, and the Hispanic elderly population is expected to grow faster than the general elderly population during the next few decades. The age structure also varies among Hispanic groups: 6.1 percent of Mexicans, but 25 percent of Cubans, are over 60.

Among householders 65 years and over in 1994, 17.6 percent of Hispanics but only 4.6 percent of non-Hispanic whites were poor. Hispanic women over 75 had a poverty rate of 30.1 percent in 1990, almost twice that of non-Hispanic white women in the same age group. The 1994 Current Population Survey data show that poverty levels varied greatly among the various Hispanic groups, from a low of 17.6 percent among Cubans to a high of 35.4 percent among Puerto Ricans.

²In 1994, there were 10.2 million foreign-born Hispanics in the United States and only about 1.9 million were citizens. Some 8.3 million Hispanics, therefore, are potentially subject to the exclusions.

³In Massachusetts, Hispanics now constitute at least 10 percent of the population in 7 out of the 17 largest cities, and over 30 percent of the population in three cities (Holyoke, Lawrence, and Chelsea). The Hispanic elders in the MAHES study form a cluster stratified sample of the Hispanic population aged 59 and above enumerated in the 1990 Census. Just over 600 were interviewed in the MAHES survey: 271 Puerto Ricans, 69 Dominicans, and 101 other Hispanics. We also interviewed 155 non-Hispanic whites selected as neighborhood con-

trols. The MAHES survey has been extended and will ultimately include detailed interviews with over 900 subjects. As citizens, Puerto Ricans do not face the immediate cutbacks in public assistance faced by immigrants; they are present in the table for comparative purposes but are only incidentally discussed here. In general, their socioeconomic characteristics resemble those of the Dominicans. The “other Hispanics” consist of a mix of Cubans and Central/South Americans, including both long-term residents and some who arrived after the 1970s; 22 percent are native born, and they include a higher proportion of better-educated people with more secure economic status. Interviewers did not question participants about their immigration status.

Full details of this research appear in an IRP Discussion Paper: L. M. Falcón, O. Bermudez, and K. Tucker, “Correlates of Poverty and Participation in Food Assistance Programs among Hispanic Elders in Massachusetts,” forthcoming.

⁴Data in the 1990 PUMS also show that, among Dominicans 60 and over, about 71 percent did not speak English well, if at all.

⁵Mobility and self-care limitations were measured using the Activities of Daily Living (ADL) scale. Over all, about 20 percent of the Dominican immigrants had some mobility or self-care limitations, and over half reported limitations on physical mobility. The worst health status among this group was reported by Puerto Ricans, among whom about 38 percent reported mobility or self-care limitations.

⁶For many of the elderly Dominicans, Massachusetts was their first place of arrival in the United States.

⁷Under the new welfare legislation, immigrants are ineligible for all federal food assistance programs.

⁸About 35 percent of the Hispanics who arrived in Massachusetts after age 59, and about 20 percent of those who arrived after age 40, reported that they did so in order to be closer to their children, about 9 percent in order to be closer to other family members.

Highlights of Food Stamp Provisions in the Federal Welfare Reform Bill of 1996

Eligibility Changes

Unless they are engaged in work or work programs, able-bodied adults aged 18 to 50 without dependents are eligible to receive food stamps for only three months in every 36-month period.¹

Most legal immigrants are no longer eligible to receive food stamps.²

Program Simplification

The law allows states greater flexibility by relaxing a number of administrative requirements. It also authorizes a Simplified Food Stamp Program, through which states can employ a single set of rules for their cash assistance programs and the Food Stamp program, provided several features in the national Food Stamp program are maintained or addressed.

State Waiver Authority

The states are given broad authority to request waivers of program rules for purposes of experimentation, provided that the experimental project “is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals,” and provided that “the project includes an evaluation to determine the effects of the project.”

Identified “permissible projects” under the new waiver authority are those designed to improve program administration, “increase the self-sufficiency of food stamp recipients,” test “innovative welfare reform strategies,” and “allow greater conformity with the rules of other programs.”

New waiver projects face some restrictions; for instance, they may not provide benefits in the form of cash.

Child Support

States may disqualify individuals who are delinquent in any court-ordered payment for support of a child, and they may require custodial parents to cooperate with state child support enforcement agencies as a condition of food stamp eligibility.

Expenditure Reduction

The bill reduces maximum benefit levels from 103 percent to 100 percent of the U.S. Department of Agriculture’s Thrifty Food Plan (but maintains indexing), freezes the standard deduction at the 1995 level, and makes other changes in deduction and income-calculation rules, all of which reduce total expenditures on the program. The bill also specifies that Food Stamp benefits are not to increase as a result of benefit reductions in other programs, if the benefit reductions stem from “the failure of a member of the household to perform an action required under the law or program.” The Congressional Budget Office has estimated that directs cuts in the Food Stamp program will amount to \$26.8 billion over the period 1997-2002.³

¹“Work” is defined as participation in work or a work program at least 20 hours or more a week, averaged monthly. Qualifying work programs include those under the Job Training Partnership Act or the Trade Adjustment Assistance Act, state or local programs approved by the state’s governor, and workfare. Job search or job search training programs do not qualify.

²Exempt from this provision are refugees and asylees during their first five years in the United States, veterans or active-duty military and their families, individuals who have worked for 40 quarters. Sponsored immigrants will have all of the sponsor’s income and resources deemed to be part of the immigrant’s resources in determining eligibility. Current recipients will lose eligibility upon case redeterminations within a year, starting April 1, 1997; all immigrant applicants became ineligible on August 22, 1996, unless they met one or more of the exemption criteria. The Congressional Budget Office has estimated that of the two million legal aliens receiving food stamps, all but 800,000 will lose coverage (CBO, “Federal Budgetary Implications of H.R. 3734, The Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” August 9, 1996, p. 15).

³These include \$23.1 billion resulting from program changes and \$3.7 billion resulting from loss of benefits by immigrants. See CBO, “Federal Budgetary Implications,” pp. 15, 19.

Food insecurity and hunger: Poverty policy issues for the 1990s and beyond

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The long-term decline in real wages among U.S. workers in the lower portion of the income distribution, coupled with major cuts in the Food Stamp program recently legislated by the federal welfare reform bill (see box p. 60), will likely bring food insecurity and hunger once again to public attention. But the first steps in getting food insecurity and hunger on the public policy agenda are to arrive at consensus on what these phenomena are and to estimate the extent to which they exist. Peter Eisinger, an IRP affiliate and political scientist at the University of Wisconsin–Madison, points out that “If society is to help the needy, then society needs a number in order to establish the magnitude of its task and the call on its resources.”¹ In addition, food insecurity and hunger need to be widely perceived as public problems and some rationale must be constructed for government intervention concerning them. This article describes the progress that has been made over the past ten to fifteen years in defining and measuring hunger and summarizes research indicating that these are public problems worthy of government intervention.

In the early 1980s, mayors of almost all major cities in the United States observed an unprecedented growth in demand for food at food banks and soup kitchens, prompting the U.S. Conference of Mayors in 1982 to start collecting data on such demands in urban areas. In 1984, the President’s Task Force on Food Assistance reported that it could not document the extent of the problem of hunger because there was no good measure for it, and concluded: “We have not been able to substantiate allegations of rampant hunger.”² Throughout the latter half of the 1980s, policy makers, researchers, and advocacy organizations were in agreement that the lack of an operational definition of hunger was a major barrier to progress in monitoring and addressing the issue.

Defining the terms

In the face of this stalemate, or vacuum—the preferred term depends on one’s perspective on the existence of

hunger—an Expert Panel convened by the American Institute of Nutrition in 1989 characterized the problem of food deprivation that Americans were experiencing as “food insecurity”—a condition that exists “whenever the availability of nutritionally adequate and safe foods or the ability to acquire acceptable foods in socially acceptable ways is limited or uncertain.”³ Noting that hunger (the painful and uneasy sensation caused by lack of food) and malnutrition were potential though not necessary consequences of food insecurity, the panel designated food insecurity as a central indicator of nutritional status that should be measured in surveys.

We might reasonably ask why it is necessary to develop a new term to describe food deprivation. If it is necessary, why select a term that has less emotional and political appeal than hunger? In the global society in which we live, most citizens have seen pictures of starving children from poorer countries of the world; this has become their image of hunger. The image is not, however, appropriate for food deprivation as experienced in the United States, where, generally speaking, overt clinical and biochemical symptoms of malnutrition are seen primarily among those suffering from disease. The nature of food deprivation in this country is graphically captured by a participant in one of our projects. After talking about being “hungry, hungry” as having absolutely nothing to eat, she said

going hungry is when you have to eat the same thing all week long and you have no variation from it and you know sooner or later you’re going to run out of that, too, because it’s only gonna go so far. So each day you cut the portions down a little bit smaller and a little bit smaller. . . . And you have a tendency to send your kid off to play with somebody else so that they’re there at mealtimes so they do eat.⁴

This woman, like the others interviewed in the study, made a clear distinction between hunger in its narrowest sense—as having absolutely nothing to eat for days at a time—and hunger in a broader sense—encompassing depleted household food supplies, having to eat unsuitable foods, uncertainty and anxiety about the availability of food, and obtaining food in socially unacceptable ways. It is this broader sense of hunger that the Expert Panel defined as food insecurity.

Using a definition very similar to that of the Expert Panel, our research in the Cornell Hunger and Food Insecurity Measurement Group has found food insecurity to be a managed process experienced at both the household and the individual levels in a reasonably predictable sequence—a continuum progressing from uncertainty and

anxiety about the household's food supplies through depletion of those supplies and altered eating patterns for adults in the household to the extreme condition of hunger among children, when food supplies are exhausted. Using the descriptions of 32 women from upstate New York (including the one quoted above) who were chosen for interviews in 1987 because they had reported experiencing hunger, we constructed survey items to measure each of the salient dimensions of food insecurity at the household and individual levels and field tested them among a sample of 189 low-income women from the same geographical area. This research provided both the major conceptual underpinnings of food insecurity as experienced by women with children and a set of specific items for measuring food insecurity. The latter, developed by Kathy Radimer, are known as the Radimer/Cornell measures of food insecurity and hunger. This research and that of the Community Childhood Hunger Identification Project (CCHIP), which has fielded surveys of hunger across the nation, made it possible to begin developing questionnaire-based measures of food insecurity and hunger capable of being administered nationally.⁵

Developing national measures

In 1993, the National Nutrition Monitoring and Related Research Program provided further impetus for constructing national measures of food insecurity and hunger. Under this comprehensive ten-year plan, the Food and Consumer Service (FCS) in the Department of Agriculture and the National Center for Health Statistics (NCHS) in the Centers for Disease Control and Prevention were empowered to develop and recommend standardized, nationally applicable methods for defining and obtaining data on the prevalence of "food insecurity" or "food insufficiency" in the United States.⁶

In January 1994, a national conference of researchers, convened by FCS and NCHS from among the private and public sectors, government decision-makers, and advocates, demonstrated two important facts: consensus prevailed on the technical means for measuring food insecurity and hunger and the feasibility of doing so, and strong support existed for developing a national measure for food insecurity and hunger.⁷ Immediately thereafter, FCS entered into an interagency agreement with the U.S. Bureau of the Census to develop, test, and refine a food security questionnaire for inclusion as a special supplement to the bureau's April 1995 Current Population Survey. The Food Security and Hunger Supplement was administered to 45,000 households in April 1995, and the data are currently being analyzed by Abt Associates, a private firm.

Although we cannot yet address the validity of the whole bank of questions included in the supplement (that is a task for Abt Associates), we can describe the validation

studies that have been done of the Radimer/Cornell measures, which were included in the special supplement to the April 1995 CPS. We used data from a stratified, random sample survey of women with children living in a rural county in New York State.⁸ The results showed that as food insecurity worsened, there was a significant and progressive increase in the percentage of subjects participating in food assistance programs and having low income, education, and employment, and a significant decline in the average availability of food in the household, as measured by a complete household food inventory. Fruit and vegetable consumption decreased as food insecurity worsened. These results support the validity of the Radimer/Cornell questionnaire-based measures and demonstrate their ability to differentiate among groups of households that evidence different behaviors attributable to increasingly severe food insecurity and hunger. As a first step, it seemed most important to have detailed data on potential criterion variables (demographic and dietary characteristics that might be expected to vary by food-insecurity status), but it is clearly highly desirable to conduct further validation studies among more diverse population groups.

Using additional information in the same data set, Edward Frongillo and colleagues at Cornell developed a definitive measure for food insecurity and compared the classification of individual households using this measure with classifications based on the Radimer/Cornell questions and the CCHIP questions.⁹ This research demonstrated that the Radimer/Cornell measure and the CCHIP measure were able correctly to identify, respectively, 89 and 86 percent of the households classified as food insecure by the definitive measure. Furthermore, the Radimer/Cornell and the CCHIP measures agreed on the classification of 85 percent of households. This study presents the strongest evidence to date that questionnaire-based measures are valid for the assessment of food insecurity and hunger in households in the general population of families with children. The finding is important, because questionnaire-based methods that directly measure the experience of food insecurity and hunger are probably the only feasible approach to measuring food deprivation in population groups in the United States. Questionnaires are relatively easy to administer and are more cost effective and accurate than traditional measures of nutritional status.¹⁰

Food insecurity and hunger as public problems

With valid national measures in sight, policy discussions can now move to whether hunger and food insecurity are public problems worthy of government action. The extent of citizen involvement in private, charitable food banks and soup kitchens suggests that the general public recognizes the issue. But would the public support government involvement in alleviating these conditions?

Strong arguments can be made for defining food insecurity and hunger as problems of legitimate government concern rather than as individual misfortunes deserving of charity.

Childhood hunger

Adequate nutrition in early life, beginning in the prenatal period and onward through early childhood, is strongly and consistently related to cognitive development and learning. More practically speaking, with older children, a hungry child cannot take full advantage of classroom opportunities and may, by classroom behavior, interfere with other children's learning.¹¹ From the perspective of human dignity, it can be argued that no child should have educational opportunities and achievements compromised by hunger and food insecurity, experiences over which she or he has little control. The human and financial costs to society of this "hunger handicap" in the educational arena are likely to be much greater than the cost of preventing food insecurity and hunger.

Hunger among the elderly

Food insecurity made it difficult for low-income elderly people whom we interviewed to follow medically recommended diets for such health problems as high blood pressure.¹² For older persons with diabetes, food insecurity made it nearly impossible to eat the required regular meals in synchrony with needed insulin injections. One elderly woman with diabetes told us: "This past year in June, I just didn't have the money so I didn't have the food to eat. I eat a little, but it wasn't enough. Then I had a lot of low blood sugar spells. They had to take me to the emergency room." Pragmatically considered, this type of food insecurity results in greater health care expenditures by the federal government. And as with child hunger, it can be considered an affront to the human dignity of the elderly.

The federal government has had a history of involvement in this area since the 1930s and 1940s, when many of the major federal food assistance programs began, motivated in part by the need to find a market for surplus agricultural commodities. The FCS mission statement itself confirms this longstanding commitment: "To alleviate hunger and to safeguard the health and well-being of the nation through the administration of nutrition education and domestic food assistance programs."

The recently enacted federal welfare reform package takes nearly half of its cost savings from the Food Stamp program, and may seriously compromise the ability of FCS to achieve its mission. Mark Lino has demonstrated the extent to which poor families in the United States depend on the program.¹³ He found food stamps to be the most common income source among poor families with children: 69 percent of poor households with children in the 1990-92 Consumer Expenditure Survey received food stamps, which provided one-fifth of their annual

household income. Our research has found that the insufficiency of food stamp allotments is a major risk factor for food insecurity.¹⁴ Since such allotments are not adjusted for family composition, it follows that they are most likely to be insufficient for household types with the greatest nutrition needs, especially two-adult households with older children. Such households have greater aggregate nutrient requirements than households with one adult and three small children, but the food stamp allotments are the same for both.

Failure to address food insecurity and hunger through public action carries a high financial cost, both directly and through a negative effect on seemingly unaffected citizens. Food insecurity and hunger compromise human dignity in ways that are inconsistent with American values. These are public issues that go beyond private charity.

Broad welfare versus specific food insecurity interventions

Food insecurity and hunger, which represent deprivation of one of life's basic necessities, can certainly be influenced by broader policy and program interventions directed at poverty. In our research, many of the expected sociodemographic variables such as low income, low educational level, being a single parent, and being without savings were strongly related to food insecurity, indicating that more general interventions aimed at poverty would also have an effect on food insecurity. But they can also be addressed by quite specific interventions aimed at expanding availability of and access to food. Food insecure households spent less on food and they were more likely to have unexpected expenses that decreased what they *could* spend on food. In addition, those rural households in our research sample that engaged in vegetable gardening and/or received milk and eggs free from friends and neighbors or as in-kind payment for agricultural work were more food secure than comparable families that did not do so.

In the present era of welfare policy experimentation, it is surely prudent to maintain public interventions as effective as the federal food assistance programs. The country's long involvement in providing food assistance to its most vulnerable citizens and the public's concern about the human and financial costs of food insecurity and hunger are likely to keep them on the public policy agenda. Enormous progress has been made over the last ten years in defining food insecurity and hunger as policy-relevant concepts and in measuring the extent to which they exist across the U.S. population. Policy analysts, researchers, and government decision-makers now have the research tools to allow them to develop more effective programs and policies. ■

¹P. Eisinger, "Measuring Hunger in the United States," *La Follette Policy Report* 6, no. 2 (Fall 1994): 17.

²*Report of the President's Task Force on Food Assistance* (Washington, D.C.: The White House, January 1984).

³S. A. Anderson, "Core Indicators of Nutritional Status for Difficult-to-Sample Populations," *Journal of Nutrition* 120 (1990): 1559–1600 (quotation, p. 1576).

⁴K. Radimer, C. Olson, J. Greene, C. Campbell, and J-P. Habicht, "Understanding Hunger and Developing Indicators to Assess It in Women and Children," *Journal of Nutrition Education* 24 (1992): 38S.

⁵Kathy Radimer, "Understanding Hunger and Developing Indicators to Assess It," Ph.D. dissertation, Cornell University, August 1990. CCHIP was developed by the Food Research and Action Center, a private advocacy organization, in response to the growing concern over hunger in the 1980s.

⁶Department of Health and Human Services and Department of Agriculture, "Ten Year Comprehensive Plan for the National Nutrition Monitoring and Related Research Program," *Federal Register* 58, no. 111 (1993): 32772.

⁷U.S. Department of Agriculture and Department of Health and Human Services, "Proceedings of the Food Security Measurement and Research Conference," unpublished report, January 1994.

⁸A. Kendall, C. Olson and E. Frongillo, Jr., "Validation of the Radimer/Cornell Measures of Hunger and Food Insecurity," *Journal of Nutrition* 125 (1995): 2793–2801. This sample is not the same as the sample of 189 women discussed earlier.

⁹E. Frongillo, Jr., B. Rauschenbach, C. Olson, A. Kendall, and A. Colmenares, "Estimating the Prevalence of Hunger and Food Insecurity: The Validity of Questionnaire-Based Measures for the Identification of Households," Institute for Research on Poverty Discussion Paper no. 1083-96, University of Wisconsin–Madison.

¹⁰Direct measurement of hunger and food insecurity in a food-rich environment presents challenges to scientific study. Rather than directly measuring hunger and food insecurity in populations, nutritionists have traditionally relied on measures of nutritional status such as anthropometric, clinical, or biochemical measurements that are associated with malnutrition in developing countries. However, in developed countries, obesity, rather than stunting and wasting, is often associated with poverty, and anthropometric measures have not proven useful.

¹¹J. L. Brown and E. Pollitt, "Malnutrition, Poverty, and Intellectual Development," *Scientific American*, February 1996, pp. 38–43.

¹²C. Olson, A. Kendall, W. Wolfe, and E. Frongillo, Jr., "Understanding the Measurement of Hunger and Food Insecurity in the Elderly," Institute for Research on Poverty Discussion Paper no. 1088-96, University of Wisconsin–Madison, p. 12.

¹³M. Lino, "Income and Spending of Poor Households with Children," *Family Economics and Nutrition Review* 9, no. 1 (1996): 2–13.

¹⁴C. Olson, B. Rauschenbach, E. Frongillo, Jr., and A. Kendall, "Factors Contributing to Food Insecurity in a Rural Upstate New York County," Institute for Research on Poverty Discussion Paper no. 1107-96, University of Wisconsin–Madison.

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Welfare reform and the poor children of working parents

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The Welfare Reform Task Force created by President Clinton shortly after he took office argued for reform that resonated with the basic American values of work, family, responsibility, and opportunity. The Personal Responsibility and Work Opportunity Reconciliation Act passed in August 1996 sought to embody these themes in a radically altered social welfare system. Now that the end of welfare “as we know it” has been accomplished, cash assistance will be administered at the state level through the mechanism of federal block grants. Caps have been placed on the length of time that welfare recipients can receive public assistance (e.g., two years consecutively and five years total). And work has been made a condition for the receipt of public assistance.

For poor mothers receiving public assistance, welfare reform means that staying home and taking care of children is no longer regarded as acceptable behavior. Unmarried mothers will no longer be counted among the “deserving poor”—that is, deserving of public assistance. Although the empirical evidence is unclear, the belief still persists that welfare itself creates incentives for out-of-wedlock childbearing and undermines traditional married couple families.¹ Welfare presumably provides poor women with an economic alternative to marriage—a “surrogate husband.” It is not surprising, then, that supporting the American values of economic self-sufficiency and strong families is a central goal of current welfare reform legislation. Across the political spectrum, the consensus is that welfare should provide temporary relief in a time of need; it should not be a way of life. The program that is replacing Aid to Families with Dependent Children will be known as Temporary Aid to Needy Families.

The underlying assumption, of course, is that promoting work among single parents will help reduce welfare dependence by ameliorating poverty among women and their children. This article asks why the unmarried mothers of poor children are now targets of welfare reform legislation that promotes parental employment. It then evaluates whether parental work alone will be an effective short-run panacea for child poverty. The discussion

concludes with several behavioral and demographic implications of the current welfare reforms that may in the long term reduce child poverty rates.²

Why is workfare targeted at single mothers?

Much of the welfare debate has centered on poor non-working women with children. One view is that poor mothers are being made scapegoats for society’s problems. Another view—a demographic one—is more sanguine. Simply, welfare reform has targeted single mothers because a disproportionate share are poor, are receiving public assistance, and are not employed. Indeed, Table 1 shows that, in 1990, 29.1 percent of all poor children, but only 6.8 percent of all children, lived with a single mother who was not working. More importantly, 84.1 percent of poor children lived in families in which at least one parent was not employed or was employed part time. Stated differently, this means that over four-fifths—an overwhelming majority—of American

Table 1
Percentage of All and Poor Children under Age 18, by Family Living Arrangements and Parental Work Patterns

	Metro.		Nonmetro.		Total	
	All	Poor	All	Poor	All	Poor
Living with both parents						
Both full-time	24.9	3.4	26.1	4.5	25.1	3.7
Father full-time, mother part-time	17.3	4.2	17.0	5.6	17.2	4.6
Father part-time, mother full-time	2.4	1.5	2.8	1.9	2.5	1.6
Both part-time	2.0	2.6	2.7	3.5	2.1	2.8
Father full-time only	23.0	13.1	21.4	16.4	22.7	14.0
Father part-time only	2.5	5.6	3.4	7.0	2.7	6.0
Mother full-time only	1.0	1.1	1.3	1.3	1.1	1.1
Mother part-time only	0.5	1.2	0.8	1.6	0.6	1.3
Neither in labor force	1.6	5.5	2.3	6.4	1.8	5.8
Living with father						
Full-time	2.9	2.2	2.7	2.1	2.8	2.2
Part-time	0.8	1.7	0.9	1.8	0.8	1.7
Not in labor force	0.5	1.7	0.6	1.7	0.5	1.7
Living with mother						
Full-time	9.0	10.0	7.2	9.9	8.6	10.0
Part-time	4.5	14.8	4.7	13.7	4.6	14.5
Not in labor force	7.0	31.5	6.2	22.6	6.8	29.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: 1990 U.S.Census, 5% Public Use Microdata Sample (3.2 million children). Note: Percentages have been rounded.

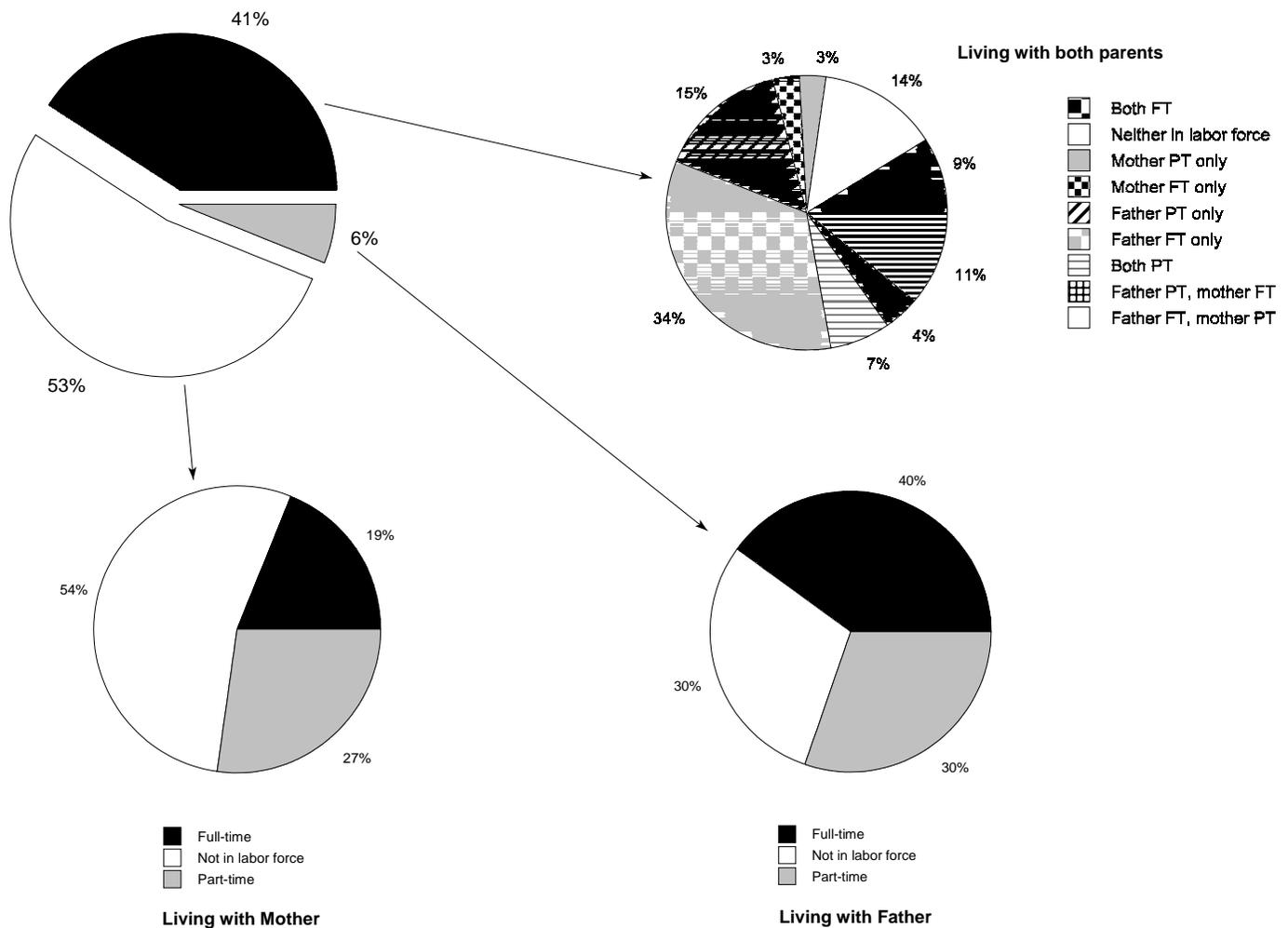


Figure 1. Percentage of poor children under 18, by family living arrangements.

Source: 1990 U.S. Census, 5 percent Public Use Microdata Sample.

poor children lived with parents who, if not disabled, could conceivably work more.

Figure 1 shows that 53 percent of poor children lived in a single-mother family; only 19 percent of these mothers worked full time, whereas 43 percent of all single mothers, poor and nonpoor, did so (not shown in Figure 1). Among children living in poor married-couple families, only 9 percent had two full-time working parents. The implication is clear: the large majority of poor children, regardless of whether they live with one parent or two, have co-residential parents who could conceivably work more.

Table 2 disaggregates these analyses of parental work patterns for racial and spatial groups for all and for poor children. The differences between racial groups of children, poor or not, are very large. For example, only 6.9 percent of all metropolitan African-American children lived in a traditional married-couple family with a male breadwinner and female homemaker, compared with about 25 percent of their white and Latino counterparts.

Over 50 percent of all African-American children lived in female-headed families, and more of them lived with a nonworking single mother than in any other living arrangement.

Not surprisingly, low rates of parental employment figure prominently in the analysis of poor children (Table 2). In metropolitan areas, 80.3 percent of poor African-American children but only 46 percent of poor white children lived with single mothers. Over one-half of the African-American mothers were not in the labor force and only 17 percent worked full time. About 20 percent of the white children lived with a mother who worked full time.

From a strictly demographic perspective, welfare reform that promotes economic self-sufficiency arguably is appropriately targeted at the disproportionately large share of parents of poor children who are not now working or who are only marginally attached to the labor force. Of course, these data say nothing about an equally compelling question: whether the failure of many poor parents to

Table 2
Percentage of All and Poor Children under Age 18, by Family
Living Arrangements and Parental Work Patterns

	All Children						Poor Children					
	Metro.			Nonmetro.			Metro.			Nonmetro.		
	White	Black	Latino	White	Black	Latino	White	Black	Latino	White	Black	Latino
Living with both parents												
Both full-time	26.9	18.1	20.2	27.7	17.0	17.9	4.3	1.5	4.2	5.2	2.6	4.1
Father full-time, mother part-time	20.4	6.5	11.0	18.4	7.1	12.5	5.5	1.8	4.8	6.4	2.9	5.9
Father part-time, mother full-time	2.4	2.4	2.8	2.9	2.7	2.6	1.7	0.8	2.0	2.0	1.5	1.6
Both part-time	1.9	1.5	2.5	2.7	2.0	3.5	3.2	1.3	3.1	3.9	1.9	4.4
Father full-time only	25.9	6.9	23.0	22.7	7.6	25.4	16.4	3.4	19.0	18.7	5.8	23.9
Father part-time only	2.4	1.5	4.3	3.4	1.7	5.6	7.1	1.9	7.4	8.2	2.2	8.9
Mother full-time only	1.0	1.3	1.1	1.3	1.4	1.2	1.4	0.7	1.0	1.5	0.9	1.2
Mother part-time only	0.5	0.6	0.7	0.8	0.9	1.2	1.6	0.7	1.1	1.8	1.0	1.7
Neither in labor force	1.5	1.4	2.5	2.2	1.8	3.4	7.9	2.3	5.1	7.7	2.7	5.9
Living with father												
Full-time	2.5	3.4	4.2	2.6	2.9	3.5	2.0	1.5	3.2	2.1	1.9	2.8
Part-time	0.5	1.4	1.4	0.8	1.3	1.2	1.6	1.6	2.0	1.9	1.4	1.8
Not in labor force	0.3	1.3	0.8	0.5	1.2	0.9	1.5	2.0	1.5	1.7	1.7	1.6
Living with mother												
Full-time	7.2	19.7	8.7	6.1	17.4	6.5	9.1	13.4	7.5	8.2	16.2	6.9
Part-time	2.9	13.3	5.0	3.5	14.8	5.3	12.4	22.8	9.3	11.5	22.4	9.4
Not in labor force	3.7	20.8	11.6	4.4	20.3	9.4	24.5	44.1	28.8	19.0	34.8	20.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 1990 U.S. Census, 5 percent Public Use Microdata Sample (3.2 million children). Note: Percentages have been rounded.

work is a matter of choice, of limited job skills, of limited opportunity or *whether they would still be poor even if the parents did work.*

Will parental work significantly reduce child poverty?

From a policy standpoint, the implications of these results seem straightforward: promoting work among currently poor or welfare-dependent mothers will contribute to lower poverty rates while increasing economic self-sufficiency.³ Table 3 shows that the benefits of parental work are *potentially* enormous in reducing child poverty. For metropolitan white children, for example, the poverty rate of those living with two full-time working parents was only 1.6 percent. This rate is substantially lower than the overall poverty rate for metropolitan white children, 9.9 percent. At the other extreme, 86.5 percent of nonmetropolitan African-American children living with a single, nonworking mother were poor. Clearly, parental work benefits children, if measured strictly in economic terms.

What would be the poverty rate of children if all co-residential parents, single or married, worked full time? The most optimistic employment scenario would be one where parents who are currently not employed or work only part time instead worked full time and experienced

the low poverty rates of children whose parents are currently working full time. A relatively simple mathematical exercise demonstrates this scenario: we can weight the poverty rates of children with full-time working parent(s) for each of the other family types by the proportion of children in the various family statuses, and thus estimate a weighted or *implied* overall poverty rate for children.

For example, in the case of metropolitan white children, this involves summing the following products: the poverty rate of children with two working parents (1.6) weighted by the proportion of white metropolitan children living with two parents (.83); the poverty rate of children with one working female parent (12.4) weighted by the proportion of white metropolitan children living with a single mother (.14); and the poverty rate of children with one working male parent (8.0) weighted by the proportion of white metropolitan children living with a single father (.03). This exercise implies that the poverty rate for white metropolitan children would drop to 3.5 percent, compared with the current rate of 9.9 percent, if the children's co-residential parents worked full time and received earnings similar to those of current workers. These calculations suggest that poverty rates would be reduced by two-thirds under this full-employment scenario. Of course, full employment is unrealistic; moreover, current labor force nonparticipants and the unemployed, were they to be employed, would be unlikely to earn as much as those currently employed.

Table 3
Poverty Rates of Children under Age 18, by
Family Living Arrangements and Parental Work Patterns, 1990

	Metro.			Nonmetro.		
	White	Black	Latino	White	Black	Latino
Living with both parents						
Both full-time	1.6	3.1	6.4	3.3	7.7	8.9
Father full-time, mother part-time	2.7	10.7	13.5	6.1	20.8	18.3
Father part-time, mother full-time	7.0	12.3	22.0	12.1	28.5	23.2
Both part-time	16.3	33.1	37.5	25.1	48.6	48.6
Father full-time only	6.3	18.6	25.6	14.3	38.8	36.2
Father part-time only	29.3	49.3	52.9	41.5	65.5	61.3
Mother full-time only	13.6	20.8	28.2	19.5	32.0	39.5
Mother part-time only	30.7	47.0	46.1	40.0	55.5	55.6
Neither in labor force	52.1	62.2	62.6	59.9	73.8	65.6
Living with father						
Full-time	8.0	16.6	23.5	14.0	32.6	31.2
Part-time	28.7	43.4	45.3	42.5	57.2	57.8
Not in labor force	46.1	58.0	56.4	58.5	69.4	69.2
Living with mother						
Full-time	12.4	25.7	26.6	23.3	46.9	40.4
Part-time	42.0	64.7	58.3	57.6	76.3	68.5
Not in labor force	65.6	79.9	76.8	74.8	86.5	81.5
Total	9.9	37.7	31.0	17.4	50.3	38.5

Source: 1990 U.S. Census, 5 percent Public Use Microdata Sample (3.2 million children). Note: Percentages have been rounded.

As a heuristic device, our approach is nevertheless useful because it provides upper-bound estimates of reductions in child poverty *using the most optimistic assumptions regarding changes in parental employment*. For example, for poor African-American children in metropolitan areas, the implied poverty rate would be 25.2 percent if the children's parents worked full time—a reduction of 33 percent from the observed rate of 37.7 (Table 3). For nonmetropolitan whites, the poverty rate would drop from 17.4 to 8.1 under the assumption of full employment, and among nonmetropolitan blacks, the rate would drop from 50.3 to 29.6 percent. These implied rates provide a straightforward but important lesson: even under the best of scenarios, full-time work alone will not eliminate the disproportionately high poverty rates among American children.

Finally, the data in Table 3 support three additional conclusions. First, nonmetropolitan children (regardless of parental work patterns) have higher poverty rates than metropolitan children. To be sure, rural parents suffer from a deficit of human capital, which depresses wages. Yet rural educational levels increased over the past decade, while poverty rates climbed among nonmetropolitan workers.⁴ Paradoxically, work is now regarded as the best solution to the poverty problem, but the relationship between work and poverty continues to weaken.

Second, even under the most optimistic assumptions (that is, mothers working full time), poverty rates among children raised in families headed by unmarried women will remain very high. For example, in nonmetropolitan

areas, the poverty rate of white children living with a single mother working full time was 23.3 percent—a rate of poverty roughly double the national average. Among their African-American counterparts, the poverty rate was 46.9 percent, *even when their mothers worked full time*. Parental work may help some children, but many also will remain impoverished economically, and perhaps more impoverished emotionally, if their mothers work full time.

Third, racial inequality among metropolitan and nonmetropolitan children cannot be explained away by racial differences in parental employment.⁵ In nonmetropolitan areas, white children living with a single mother who worked full time had a rate of poverty that was very high, but substantially lower than their black counterparts (23.3 versus 46.9 percent). White children living in traditional families, with a breadwinner father and homemaker mother, had a poverty rate of 14.3 percent. The comparable rates among black and Latino children were 38.8 and 36.2 percent, respectively.

These results should not be misconstrued. Parental work *does* matter in children's lives. There is a very strong relationship, as we have noted, between parental failure to work and child poverty. Work incentives should instead be regarded as *one* of many possible solutions to welfare dependency and poverty, including those that address the issues of low wages (e.g., minimum wage legislation or negative income taxes), child support assurance, human resource development (e.g., job training and education), and family stability.

How will the nonworking poor adapt to welfare reform?

Clearly, work alone is not a solution to poverty, at least in the short run. One argument against placing time limits on welfare is that to do so may well result in higher child poverty rates, if welfare benefits are replaced with low-wage work or nonwork. Moreover, new work requirements mean that working mothers will not be home with their children. And, if mothers cannot find work, children could be harmed by potential increases in homelessness and foster care.

The longer-term implications of welfare reform, however, may be considerably different, and therefore worthy of study. Work requirements and proposed limits on lifetime receipt of welfare may well engender new behavioral adaptations that indirectly *reduce child poverty in the long term*. For example,

- The share of the poor and/or welfare-dependent population with at least some earnings will undoubtedly increase.⁶ There may be less reluctance than in the past to accept low-wage employment (i.e., the reservation wage will decline) or to work longer hours, if welfare is no longer an alternative.
- Surplus labor in local labor markets, including nonemployed poor persons, may be more responsive to spatial differences in employment opportunities and wage rates. Migration among the poor may increase, at the same time reducing poverty. Welfare “as we know it” may have unintentionally anchored poor people to economically depressed areas.
- Poor families may be more likely to “double up” and share resources with nonpoor families. The availability of welfare has affected the living arrangements of single mothers, who are much more likely than in the past to head their own households. With new time-limited welfare and new work requirements, this may be less feasible.
- If today’s poor and welfare-assisted children are “exposed” to parents who are employed, they themselves may be more likely to be self-sufficient as adults. One view is that current welfare legislation establishes work as an important cultural norm. Thus the reforms, although perhaps adversely affecting the current generation of welfare children, may benefit subsequent generations.
- The rise in the nonmarital fertility ratio—nearly one-third of births now occur outside of marriage—was fueled in part by the decline in marriage among premaritally pregnant women.⁷ Welfare presumably provided pregnant women with an alternative to marriage, i.e., it provided a stable, though low, level of income. The “end of welfare” may result in alternative resolutions to a nonmarital pregnancy, including abortion and marriage, that indirectly lower child

poverty because fewer children are born to single mothers.

- The knowledge that welfare dependency will no longer be a permanent lifestyle and that work will be a required (if not normative) part of adult life will create greater incentives among women and men to invest in schooling and training and to avoid outcomes such as pregnancy that inhibit these investments.

The present debates about welfare reform arguably are too narrowly focused on whether or not work will solve the problem. The overwhelming consensus is that it will not.⁸ At the same time, few argue for the merits of the welfare system currently in place. Time-limited welfare will likely have many important implications for poverty and welfare dependence, as new behavioral adaptations emerge in response to changing work requirements and caps on welfare receipt.

Conclusions

The Personal Responsibility and Work Opportunity Reconciliation Act may end “welfare as we know it,” but it is not likely to end poverty as we know it. The new work incentives and requirements built into welfare reform are clearly aimed at unmarried mothers, and for obvious reasons. A disproportionate share of poor children live with single mothers who are not employed or who work only part time. Moreover, a large proportion (over 80 percent) of *all* poor children have at least one parent living with them who is not employed or is working only part time. Promoting work among poor parents or welfare recipients is thus a potential remedy for child poverty.

However, it is not a panacea. Even if single mothers were motivated to work full time or had the opportunity to do so, poverty rates among children would remain high. The poverty rates of children in families headed by an unmarried mother working full time are well above the national average, especially among children of African-American and Latino descent; these families experience poverty rates of over 40 percent. For America’s children, the best way to avoid poverty is to have two working parents. The fact that nonmarital fertility has increased (as a percentage of all births) and divorce rates have remained high implies that this solution is unavailable for a large and growing fraction of American children.

The economic prospects seem especially uncertain for the growing share of children living with an unmarried mother. Over the past decade, the percentage of poor female heads who worked has grown, while the poverty rate of employed female heads has more than doubled.⁹ Putting mothers to work is now seen as the best solution to the poverty problem at a time when the ameliorative effect of work has eroded.

Welfare policies that create maternal incentives to work or that include new work requirements may help reduce, but will not end, child poverty. They also mean that women and children may be required adopt new behavioral responses, such as migration or doubling up, that impose other hardships on children. Promoting work should thus be regarded as only one component of a comprehensive welfare program. Minimum wage legislation, child support compliance and assurance, and expanded earned income tax credits may provide family income supports that are especially beneficial to poor children. ■

¹R. A. Moffitt, "The Effect of the Welfare System on Nonmarital Childbearing," in Department of Health and Human Services, *Report to Congress on Out-of-Wedlock Childbearing* (Washington, D.C.: GPO, 1995), pp. 167–76; D. T. Lichter, "The Retreat From Marriage and the Rise in Nonmarital Fertility," in *Report to Congress on Out-of-Wedlock Childbearing*, pp. 137–46.

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The analysis is based on the 5 percent sample of the 1990 Public Use Microdata Sample (PUMS) and is limited to children aged under 18, living with at least one parent. Each child is represented by a record which includes information (e.g., employment status) on each co-residential parent. The sample size is 3.1 million children.

³There can be little debate over whether labor force nonparticipation or unemployment is strongly associated with poverty. For example, the poverty rate among full-time workers was only 2.4 percent in 1989, whereas the poverty rate among nonworkers (aged 15 and older) was 20.7 percent. The poverty rate among nonworking female heads was 53.7 percent. See U.S. Bureau of the Census, *Money Income and Poverty Status in the United States: 1989*, Series P-60, no. 168 (Washington, D.C.: GPO, 1990).

⁴D. T. Lichter, G. M. Johnston, and D. K. McLaughlin, "Changing Linkages Between Work and Poverty in Rural America." *Rural Sociology* 59(1994): 395–415.

⁵D. T. Lichter and N. Landale, "Parental Work, Family Structure, and Poverty Among Latino Children." *Journal of Marriage and the Family* 57(1995): 346–354.

⁶R. Lerman, "Increasing the Employment and Earnings of Welfare Recipients," in *Welfare Reform: An Analysis of the Issues*, ed. Isabel V. Sawhill (Washington, D.C.: Urban Institute, 1995), pp. 17–20.

⁷W. D. Manning, "Marriage and Cohabitation Following Premarital Conception," *Journal of Marriage and the Family* 55(1993): 839–850.

⁸See Sawhill, *Welfare Reform: An Analysis of the Issues*, especially the chapter by S. K. Danziger and S. Danziger, "Will Welfare Recipients Find Work When Welfare Ends?"

⁹See Lichter, Johnston, and McLaughlin, "Changing Linkages."

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