

Jake has been a dedicated and valuable member of the Senate family, and we wish him well as he retires to spend more time with his family—his wife Jacqueline, and his three sons, Jeman, Derrick, and Darnell, Jr.

I know all Members of the Senate join me in thanking Jake for his service, and in wishing him many more years of health and happiness.

#### NEW STUDY SUPPORTS LEGAL IMMIGRATION

Mr. KENNEDY. Mr. President, earlier this week, a new study was released which highlights the many benefits that immigrants bring to the United States. It is vitally important that we be aware of the contributions of immigrants to the American economy, to American families, and to American communities as we debate the very difficult issue of immigration reform.

The study was published by the National Immigration Forum and the Cato Institute with support from a wide array of business, civil rights, Hispanic, and religious organizations. It was conducted by Prof. Julian Simon of the University of Maryland, who has published a number of works or immigration over the years.

This study joins the impressive group of other important studies which demonstrate that legal immigration is not a source of major problems for our country. In fact, it brings significant benefits to the Nation.

I ask unanimous consent that the executive summary of the study and its opening chapter be printed in the RECORD, along with an article about the study which appeared in the Los Angeles Times.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### IMMIGRATION: THE DEMOGRAPHIC AND ECONOMIC FACTS

(By Julian L. Simon)

#### EXECUTIVE SUMMARY

The following facts emerge from the data and material examined in this volume:

The rate of U.S. immigration in the 1990s is about one-third the rate of immigration at the beginning of the century. The total number of immigrants—including illegals—is about the same as or less than the number then, though the country's population has more than doubled.

The foreign-born population of the United States is 8.5 percent of the total population, which is significantly lower than the proportion—13 percent of higher—during the period from 1860 to 1930.

Immigrants do not increase the rate of unemployment among native Americans, even among minority, female, and low-skill workers. The effect of immigration on wages is negative for some of these special groups and positive for others, but the overall effects are small.

Total per capita government expenditures on immigrants are much lower than those for natives, no matter how immigrants are classified. Narrowly defined welfare expenditures for immigrants are slightly more than for natives, but this has been true in the past, too. These welfare expenditures are

only small fractions of total government expenditures on immigrants and natives. Schooling costs and payments to the elderly are the bulk of government expenditures; natives use more of these programs, especially Social Security and Medicare.

The educational levels of immigrants have been increasing from decade to decade. No major shifts in educational levels of immigrants relative to natives are apparent.

Natural resources and the environment are not at risk from immigration. As population size and average income have increased in the United States, the supplies of natural resources and the cleanliness of the environment have improved rather than deteriorated. Immigration increases the base of technical knowledge. That speeds the current positive trends in both greater availability of natural resources and cleaner air and water.

#### 1. SUMMARY OF IMPORTANT FACTS ABOUT IMMIGRATION

These are the most important demographic and economic facts pertaining to policy decisions about the numbers of immigrants that will be admitted by law into the United States:

##### *The Quantities of Immigration*

The total number of immigrants per year (including illegal immigrants and refugees) now adays is somewhat less than it was in the peak years at the beginning of the 20th century when U.S. population was less than half as large as it now is.

The rate of immigration relative to population size now is low rather than high. Immigration as a proportion of population is about a third of what it was in the peak years.

The foreign-born population of the United States is 8.5 percent of the total population (as of 1990). The proportions in the United States during the period from before 1850 to 1940 were higher—always above 13 percent during the entire period from 1860 to 1930—and the proportions since the 1940s were lower. The present proportion—8.5 percent—also may be compared to the 1990s' proportions of 22.7 percent in Australia; 16 percent in Canada; 6.3 percent in France; 7.3 percent in Germany; 3.9 percent in Great Britain; and 5.7 percent in Sweden.

Though the volume of illegal immigration is inherently difficult to estimate, a solid body of research, using a variety of ingenious methods, has now arrived at a consensus: the number of illegals in the United States is perhaps 3.2 million, pushed downward by the amnesty of 1987-1988, not very different from a decade before. Many of these persons are transitory. The million-plus persons who registered for the amnesty verify that the total was and is nowhere near the estimates that often have been given in public discussion.

The rate of illegal immigration is agreed by all experts to be about 250,000 to 300,000 per year.

More than half of illegal aliens enter legally and overstay their visas and permits. "Less than half of illegal immigrants cross the nation's borders clandestinely. The majority enter legally and overstay their visas" (Fix and Passel 1994, 4).

##### *The Economic Characteristics of Immigrants*

New immigrants are more concentrated than are natives in the youthful labor-force ages when people contribute more to the public coffer than they draw from it; natives are more concentrated in the childhood and elderly periods of economic dependence when the net flows are from the public to the individual. Of all the facts about immigration relevant to its economic effects, this is the most important, and the one which is most

consistent in all countries, in all decades and centuries.

Taken altogether, immigrants on average have perhaps a year less education than natives—much the same relationship as has been observed back to the 19th century.

The average education of new immigrants has been increasing with each successive cohort. The proportion of adult immigrants with 8 or fewer years of education has been trending downward, and the proportion of adult immigrants with 16 or more years of education has been trending upward.

The proportion of adult new immigrants with eight or fewer years of education is much higher than the proportion of adult natives.

The proportion of immigrants with bachelor's or postgraduate degrees is higher than the proportion of the native labor force.

Immigrants have increased markedly as a proportion of members of the scientific and engineering labor force (especially at the highest level of education). Immigrants also have increased rapidly as proportions of the pools of U.S. scientists and engineers. Scientific professionals are especially valuable for promoting the increased productivity and growth of the economy.

Immigrants, even those from countries that are much poorer and have lower average life expectancies than the United States, are healthier than U.S. natives of the same age and sex. New immigrants have better records with respect to infant mortality and health than do U.S. natives and immigrants who have been in the United States longer.

New immigrants are unusually mobile geographically and occupationally, in large part because of their youth. Such mobility increases the flexibility of the economy and mitigates tight labor markets.

First- and second-generation immigrant children do unusually well in school. They win an astonishingly high proportion of scholastic prizes.

##### *The Effects of Immigrants in the Labor Market*

Immigrants do not cause native unemployment, even among low-paid or minority groups. A spate of respected recent studies, using a variety of methods, agrees that "there is no empirical evidence documenting that the displacement effect [of natives from jobs] is numerically important" (Borjas 1990, 92). The explanation is that new entrants not only take jobs, they make jobs. The jobs they create with their purchasing power, and with the new businesses which they start, are at least as numerous as the jobs which immigrants fill.

Re wage effects, one recent summary concludes, "Immigration has no discernible effect on wages overall. . . . Wage growth and decline appear to be unrelated to immigration—a finding that holds for both unskilled and skilled workers" (Fix and Passel 1994, 48). My interpretation of the literature is slightly different: a minor negative effect.

##### *Welfare Use and Taxes Paid*

Immigrants who enter legally through regular quotas are not permitted to receive public assistance for three years, and they may be deported if they obtain such assistance (though few are). Refugees, however, are entitled to such assistance immediately upon entry, which (together with their needy circumstances) accounts for their high rate of welfare use soon after arrival.

Re the use by immigrants of welfare services including food stamps, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Medicaid: these expenditures are the tail that wags the dog in policy discussions. Expenditures called "welfare" now comprise about \$404 per person annually for immigrants and about \$260 for natives. Total government social outlays are roughly \$3,800 for natives.

Because of the public interest in the set of welfare services that includes food stamps, AFDC, SSI, and Medicaid, the data on this cluster of welfare programs are presented here, but only for completeness. By themselves they do not provide the basis for any conclusions about overall transfer-payment receipt by various cohorts of immigrants and natives, because these calculations do not include most payments to the native elderly.

Foreign-born persons taken altogether have perhaps a 10 to 20 percent higher probability of obtaining these welfare services than do natives. They average perhaps 30 percent higher average receipts per capita than do natives.

There may have been a small increase in the use of these programs from pre-1970 to post 1970 entrants and from immigrants arriving between 1970 and 1986 to those entering between 1987 and 1990, but the evidence is mixed.

If refugees are excluded from the assessment, and only nonrefugees are considered, the rate of welfare use for new immigrants who entered between 1980 and 1990 is considerably below the rate for natives ages 15 and above.

Among foreign-born persons 65 years of age or more, a greater (and growing) proportion receive welfare (mainly SSI) than among natives. This is due to the arrival of many immigrants too late to accumulate enough work time to earn Social Security benefits; the welfare is a substitute for Social Security.

Social Security and Medicare are by far the most expensive transfer payments made by the government. These payments go almost completely to natives. This is because immigrants typically arrive when they are young and healthy, and also because older recent immigrants do not qualify for Social Security for many years after their arrival.

Social Security and Medicare are by far the most expensive transfer payments by the government. The cost of supporting elderly natives is vastly greater than for immigrants. This is because immigrants typically arrive when they are young and healthy, and the appropriate life-time analysis shows that this provides a large windfall to the national treasury. (Current data alone also show a similar effect because of the contemporary age distribution of the immigrant population). Also, older recent immigrants do not qualify for Social Security for many years after arrival.

As of the 1970s, immigrant families in all cohorts within several decades clearly paid more taxes on average than native families. However, the mean earnings of all new immigrant men were smaller relative to adult natives 25 to 64 in the 1980s than in the previous decade. The mean earnings of immigrant men who entered in the 1970s were smaller relative to adult natives 25 to 64 in the 1980s than the similar comparison for the previous decade. This continues a trend from men who entered in the 1960s. This implies that the size of tax contributions by recent cohorts of immigrants relative to those of natives has diminished in recent decades.

When immigrants are subclassified by legal category of entrance, the picture is quite different from that for immigrants taken altogether. In an analysis of the 1990 census, where the average household income (different from the earnings concept referred to in the paragraph above) for natives was \$37,300, 1980-1990 immigrants from countries from which most of the immigration is legal received \$34,800 (that is, 91 percent of natives' household income), the average for those from countries sending mostly refugees to the United States was \$27,700, and for those from countries sending illegals \$23,900. (No information is now available on whether

the picture was the same or different in earlier decades.) These data on recent legal immigrants are the relevant data for policy-making in legal immigration.

As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services. The most recent available data (for 1975) show that each year, an average immigrant family put about \$2,500 (1995 dollars) into the pockets of natives from this excess of taxes over public costs.

The possible changes over time in earnings in the various immigrant cohorts cast some doubt on the present-value calculation for earlier years concluding that immigrants make net contributions to the public coffers; a different sort of calculation may be needed for which data are not available.

Illegal aliens contribute about as much to the public coffers in taxes as they receive in benefits. New data suggest that the undocumented pay about 46 percent as much in taxes as do natives, but use about 45 percent as much in services.

#### *Immigrants, the Environment, and Natural Resources*

Natural resources and the environment are not at risk from immigration; rather, in the long run, resources increase and the environment improves due to immigration. The long-term trends show that U.S. air and water are getting cleaner rather than dirtier, and world supplies of natural resources are becoming more available rather than exhausted. Immigration increases the technical knowledge that speeds these benign trends.

#### *Public Opinion about Immigrants and Immigration*

The most recent polls of U.S. residents' opinions show that most persons want less immigration. This is consistent with the consensus of all polls since the first such surveys in the 1940s. There does not seem to be a long-run trend in public opinion opposing immigration.

A poll of the most respected economists found a consensus that both legal and illegal immigrants are beneficial economically.

No data are presented in this pamphlet concerning racial or ethnic composition or the country of origin of immigrants because these characteristics are not relevant for any policy decisions that are related to the economic consequences of immigration.

[From the Los Angeles Times, Dec. 11, 1995]

#### STUDY PAINTS A POSITIVE PICTURE OF IMMIGRATION

COSTS: BOTH LEGAL AND ILLEGAL IMMIGRANTS USE FEWER GOVERNMENT RESOURCES THAN NATIVE-BORN CITIZENS, REPORT SAYS.

(By James Bornemeier)

WASHINGTON.—A new study on the effects of immigration finds that total per capita government expenditures are much lower for immigrants—legal and illegal—than for native-born citizens.

The report also paints an upbeat picture of immigrants' educational achievements and asserts that the nation's natural resources and environment are unaffected by the influx of immigrants.

"As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services," the report says. "The most recent data \* \* \* show that each year an average immigrant family puts about \$2,500 into the pockets of natives from this excess of taxes over public costs."

The study, to be issued this morning in Washington by the National Immigration Forum, an immigration-advocacy group, and the Cato Institute, a conservative think tank, comes at a time when Congress is

wrestling with major immigration bills and public opinion is increasingly negative on immigration issues.

Legislation is progressing in both houses of Congress to clamp down on illegal immigration and—to the dismay of many immigration advocates—restrict entry of legal immigrants as well.

The issue has split Republicans, some of whom see the free flow of legal immigrants as an economic boon to the country. Immigrant-rights groups say the political activism to stem illegal immigration has unfairly led to the limitations on legal immigrants.

But groups pushing for stronger restrictions on immigration branded the report, authored by University of Maryland professor Julian L. Simon, as biased.

"Julian Simon is not a liar," said Dan Stein, executive director of the Federation for American Immigration Reform, "but he gets as close as anyone can be to one. He is intentionally deceptive, manipulative and grossly in error." Signifying the sensitivity of the issue, more than 20 interest groups and think tanks have signed on to the report, and they span the political spectrum—from the immigrant-rights group, the National Council of La Raza, to the Progress and Freedom Foundation, an organization closely associated with House Speaker Newt Gingrich.

House Majority Leader Dick Armey, a strong supporter of legal immigration, is scheduled to address the Capitol press conference where the report is to be released today.

Among the report's most controversial findings is Simon's conclusion that government expenditures are lower for immigrants than for native-born Americans.

According to the report, the average immigrant family receive \$1,404 in welfare services in its first five years in the country. Nativeborn families averaged \$2,279, Simon writes. The report makes these other points:

- The number of illegal immigrants in the United States—estimated at 3.2 million—is not very different from a decade before.
- More than half of illegal immigrants enter legally and overstay their visas; less than half enter clandestinely.
- New immigrants are more concentrated than native-born citizens in the youthful labor force ages when people contribute more to the public coffers than they draw out.
- Immigrants on average have a year less education than natives—about the same relationship as has been observed back to the 19th century.

Such optimistic findings collide with the views of other researchers.

"His numbers are conventional and unremarkable," said Mark Krikorian of the Center for Immigration Studies in Washington. "The question is what sort of spin Julian puts on them. He has his bias, and the bias has a very significant influence on the interpretation he has put on the facts."

As an example, Simon says the number of immigrant high school dropouts has been declining. For example, Krikorian said, Simon reports that the number of immigrant high school dropouts has been declining.

"But what he doesn't mention," said Krikorian, "is the gap between the percentage of American high school dropouts and the percentage of immigrant high school dropouts is widening. It's pretty obvious that the education gap is increasing. By not addressing [that] he makes his document an advocacy document."

#### STUDENT LOANS

Mr. COATS. Mr. President, I would like to clarify the remarks I made on