## How The Gang Of Eight Proposal Would Impact U.S. Taxpayers

## Concerns Heightened By Administration's Noncompliance With Taxpayer Protections Already In Law

On April 10th, Senators Sessions and Grassley, Ranking Members of the Budget and Judiciary Committees, along with former Agriculture Committee Ranking Member Pat Roberts, wrote an as-yet unanswered letter to the Gang of Eight concerning "the long-term costs that will be imposed on taxpayers once millions of illegal immigrants eventually become eligible not only for our nation's major entitlements but approximately 80 different means-tested welfare and low-income assistance programs."

The letter explained that the Gang's promise to restrict certain benefits during the initial probationary status "will only succeed in delaying—not reducing—the cost to taxpayers." The letter went on: "Once the present illegal population receives green cards, they will be eligible under current law for a wide array of federal welfare programs including food stamps, Supplemental Security Income, Temporary Assistance for Needy Families, and Medicaid... The long-term costs, and the strain on resources for low-income Americans, could be enormous... These fiscal costs could grow once today's illegal population is granted citizenship, and could include substantial costs imposed on Medicare and Social Security as low-income former illegal immigrants retire and draw benefits in excess of what they paid into those programs." The Gang of Eight plan would also afford expedited consideration to certain groups, such as "DREAMers" (with no age limit), meaning that they would be eligible to receive all federal benefits as soon as they become citizens, many years sooner than others. Net costs would increase through chain migration and a rise in future low-skill immigration.

Because of the way the benefit scales for our nation's means-tested and entitlement programs are structured, low-income illegal immigrants who are later made eligible for those programs will necessarily receive, over the coming decades, trillions more in benefits than they contribute. For instance, under the promises set forth in current law, someone in the lowest of Social Security's five income groups will receive retirement benefits 1.7 to 2.5 times more over the course of his or her lifetime than what they contribute to the system. Additionally, research by the Pennsylvania Secretary of Public Welfare has shown how a single parent with two children earning \$29,000 would have a net income, including welfare benefits, of \$57,000.

Concerns about cost are heightened by this administration's purposeful undermining of Section 212 of the Immigration and Nationality Act (federal public charge law)—rendering future promises meaningless as long as this law remains unenforced. **DHS, in a letter to Congress, admitted it had failed to identify a single public charge in the entire country last year.** The Department even has a website, <u>WelcomeToUSA.gov</u>, that features a page promoting welfare benefits to new arrivals. USDA also has a formal partnership with the Mexican government to boost welfare enrollment among non-citizens.

Against this backdrop, it should come as no surprise that a recent Center for Immigration Services <u>study</u> found that 36 percent of immigrant-headed households received at least one major welfare benefit in 2010 (including <u>public housing</u>). The Heritage Foundation's Robert Rector offered this <u>mathematical analysis</u> in 2007: "On average, low-skill immigrant families receive \$30,160 per year in government benefits and services while paying \$10,573 in taxes, creating a net fiscal deficit of \$19,587 that has to be paid by higher-income taxpayers... It takes the entire net tax payments (taxes paid minus benefits received) of one college-educated family to pay for the net benefits received by one low-skill immigrant family."

- Produced by Senate Budget Committee Republican staff, April 18, 2013 -