

Summary of Facts About Immigrants' Use of Welfare

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Facts about Immigrants' Use of Welfare

Questions have arisen recently about the use of welfare and public assistance by immigrants. We lay out here some key facts about immigrants' welfare use and report the similarities and differences in recent, prominently cited research on this issue conducted by the Urban Institute and George Borjas. ¹

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KEY FACTS:

- Most immigrants (94 percent in 1993 according to the Current Population Survey, CPS) do not use "welfare" as conventionally defined (to include Aid to Families with Dependent Children, AFDC, Supplemental Security Income, SSI, or General Assistance, GA).
- Overall, immigrants have slightly higher welfare use rates than natives (6.6. versus 4.9 percent). But welfare use among immigrants is concentrated among refugees and elderly immigrants who use welfare at rates disproportionate to their numbers. These two groups make up 21 percent of the immigrant population but 40 percent of welfare users. Non-refugee working-age immigrants use welfare at about the same rate as natives.
- Immigrant welfare use and costs have risen slightly relative to natives since 1990—but we believe the rise owes largely to the concentration of the immigrant population in California which has generous welfare programs, is home to many legalizing immigrants, and has been in recession.
- According to administrative data, immigrants are more likely to use SSI—a cash assistance program for the elderly and disabled—than natives. In 1993, elderly immigrants made up 28 percent of the SSI recipients aged 65 and older, but they made up only 9 percent of the total elderly population. Many of these elderly immigrants have not worked enough quarters in covered U.S. occupations to qualify for Social Security, either because they have not been in the United States long enough or because they worked for employers who have not paid Social Security taxes for them.
- The immigrant group with the fastest growth in SSI use is the disabled. Despite recent growth in use, immigrants continue to make up a smaller share of the disabled SSI population than they do of the general population.
- Poor immigrants remain less likely than poor natives to use welfare (16 versus 25 percent). These findings are confirmed by administrative data: a 1995 Food and Nutrition Service study found that eligible immigrants who legalized under the Immigration Reform and Control Act of 1986 were less likely to receive food stamps than the general population.

Interpreting the Urban Institute's and George Borjas's Findings:

Similar basic findings—In his most recent paper on the subject, Borjas states that the —immigrant-native difference in the probability of receiving cash benefits is small (10.8 vs. 7.3 percent)—the same basic conclusion reached by Urban Institute studies.

Different definitions of "welfare"—Borjas finds large differences between immigrant and native "welfare" use when he uses a measure that includes cash assistance as well as Medicaid, food stamps, energy assistance, housing assistance and WIC (the supplemental food program for women, infants and children)—programs that go beyond those typically considered "welfare." Among non-cash programs he finds small differences in use rates for each program except Medicaid and the reduced price school lunch program (which is not included in the cumulative measure), where he finds larger differences.

Different data sources—The Urban Institute findings are based on an analysis of the 1993 Current Population Survey while Borjas combines 1990 to 1993 data from the Survey of Income and Program Participation (SIPP). Each data source has its advantages. Even after Borjas combines different years of the SIPP, the size of his sample is half that of the 1993 CPS and therefore provides less accurate results for relatively small populations, such as immigrants, and for the even smaller population of immigrants who use welfare. The SIPP, however, reinterviews the same family periodically over the course of 32 months, providing a better picture of welfare use than the one point-in-time analysis of the CPS.

Different units of analysis—The Urban Institute CPS results are based on an analysis of individuals' use of benefits, while Borjas uses a household level analysis. The household analysis is problematic because it

attributes to immigrant-headed households use of welfare by natives in their households, such as children. This is a serious concern since 67 percent of immigrant-headed households contain a native-born person and 52 percent contain a native-born child.

Different results using SIPP individual level data—Elaine Sorensen and Nikki Blasberg of the Urban Institute recently analyzed individual use of welfare with the SIPP and found that immigrant and native use rates for those of all ages are so close that they are not statistically different for any of the cash or non-cash benefit programs except SSI.

When immigrants and their native born children are considered together, statistically significant differences emerge in the use of Medicaid and housing assistance. Statistically meaningful differences in SSI use disappear, however. This apparently anomalous result occurs because the foreign-born population is composed of a smaller share of children and a larger share of adults than the general population. For this reason, when the native-born children of immigrants are included in the analysis, use rates of child-oriented services such as Medicaid increase. Conversely, use rates of programs directed largely at adults—like SSI—decline.

Notes

1. See, Michael Fix, Jefferey Passel and Wendy Zimmermann. "The Use of SSI and Other Welfare Programs by Immigrants," and George Borjas, "Immigration and Welfare: Some New Evidence," testimony before the U.S. Senate Subcommittee on Immigration. February 6, 1996; George Borjas, Lynette Hilton, "Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs," forthcoming, *Quarterly Journal of Economics*, May 1996.

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