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Fear vs. Facts: Examining the Economic Impact of Undocumented Immigrants in the U.S.

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Undocumented immigration has become a contentious issue in the U.S. over the past decade. Opponents of undocumented immigration have argued that undocumented immigrants are a social and financial burden to the U.S. which has led to the passage of drastic and costly policies. This paper examined existing state and national data and found that undocumented immigrants do contribute to the economies of federal, state, and local governments through taxes and can stimulate job growth, but the cost of providing law enforcement, health care, and education impacts federal, state, and local governments differently. At the federal level, undocumented immigrants tend to contribute more money in taxes than they consume in services, however, the net economic costs or benefits to state and local governments varies throughout the U.S.

Key words: immigration, undocumented immigration, social work, policy, Latinos, economy

Despite the recent reported decrease in undocumented immigrants living in the U.S., undocumented immigration to the Journal of Sociology & Social Welfare, December 2012, Volume XXXIX, Number 4

U.S. continues to be an issue attracting increasing attention from policymakers and the public. An accurate account of the scope of undocumented immigration is impossible, however it is estimated that in 1990 there were 3.5 million undocumented immigrants in the U.S. In almost twenty years, the undocumented immigrant population grew to an estimated 11.9 million people, representing approximately one third of the total U.S. immigrant population (38 million), 4% of the total U.S. population, and 5.4% of the U.S. workforce (8.3 million) (Passel & Cohn, 2009). Undocumented immigrants come to the U.S. from around the world, however the majority, an estimated 76%, are Latino, of which 59% (7 million) are estimated to be from Mexico and 22% (2.1 million) from the rest of Latin America (Passel & Cohn, 2009). Migration, documented and undocumented, is propelled by both 'push' and 'pull' factors. Poverty, violence, crime, and corruption push migrants from sending countries, and the promise of economic prosperity where employers are looking for low-wage workers pull migrants towards receiving countries such as the U.S. (Liebig & Souza-Poza, 2004).

The public policy debate surrounding immigration often involves strident rhetoric, and arguments against undocumented immigrants can be especially harsh, revolving around the burden to U.S. taxpayers. The non-partisan Congressional Budget Office (CBO) reported that undocumented immigrants contribute more in taxes than the costs of providing services at the federal level. There are costs to some state and local governments for providing law enforcement, education, and health care services to undocumented immigrants, but those costs represent a small percentage of their state and local budgets (CBO, 2007). Nevertheless, many politicians continue to argue that undocumented immigrants are a huge economic drain because of the costs associated with law enforcement, education, and use of state and federal health and social services by undocumented immigrants, which lead to diminished economic opportunity for U.S. citizens (Burns, 2011; Stein, 2011).

The economic arguments against undocumented immigrants include the costs to tax payers resulting from the "criminal" and "illegal" nature of undocumented immigration, such as the costs associated with law enforcement, border security,

measures to prevent, detain, and deport the undocumented, and related crimes such as human smuggling and trafficking. The Heritage Foundation reported that the cost of incarcerating undocumented immigrants "... represent(s) a huge drain on taxpayers" with California, Texas, Arizona, Florida, New York, and Illinois absorbing the greatest financial impact (von Spakovsky, 2011, ¶6).

The perception that "illegal aliens" are responsible for higher crime rates is deeply rooted in American public opinion. These opinions in turn shape political behavior, which ultimately results in public policies and practices that are created absent of rigorous empirical evidence (Chávez, 2001; Lee, 2003). Examples of this are ordinances and bills that have passed and been enacted into law in several localities and states across the U.S. In 2006 the city council of Hazleton, Pennsylvania passed the "Illegal Immigration Relief Act Ordinance," declaring that illegal immigration leads to higher crime rates and the city's legal residents and citizens have the right to live in peace, free of crime committed by illegal aliens (Rumbaut, 2008). Furthermore, several states, including Alabama, Arizona, Georgia, Indiana, and Utah, have enacted laws putting local, county, and state law enforcement personnel in the position of relying on stereotypes about what an "illegal alien" looks or sounds like (American Civil Liberties Union [ACLU], 2011). A related policy goal is to build a fence along the U.S.-Mexico border that would guard national security from the perceived threat of undocumented immigration.

Another argument against undocumented immigration is that local, state, and federal governments are burdened with increased costs through their utilization of educational and social systems such as primary and secondary education, health care programs, emergency rooms, welfare, and other anti-poverty programs to which they do not contribute through taxes. Several anti-immigration organizations, such as The Federation for American Immigration Reform (FAIR) and the Center for Immigration Studies, also argue that undocumented immigrants' use of state and federal social welfare programs such as the Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), school lunch programs, and Medicaid cost taxpayers billions of dollars

annually (Camarota, 2011; Federation for American Immigration Reform, [FAIR], 2000). FAIR also argues that the cost associated with educating undocumented children in the U.S. is a major cause of the budget deficits facing many states (Ewing, 2003).

Although current social work literature discusses the social impact of various policies on undocumented immigrants in the U.S. (Androff et al., 2011; Cleaveland, 2010) and calls for advocacy and action by social workers on behalf of immigrants (Padilla, Shapiro, Fernández-Castro, & Faulkner, 2008), there is a gap in the social work literature regarding the economic impact of undocumented immigrants in the U.S. The purpose of this paper is to begin to fill that gap by examining the economic impact of undocumented immigration and to assess the costs and benefits of the undocumented people living and working in the U.S., as well as the economic and social costs of public policies that have been enacted to deter undocumented immigration. Further, this paper will analyze the available evidence relevant to each of these arguments in an attempt to provide social workers with an empirical basis for effective public policy advocacy regarding undocumented immigration.

Economic Costs of Undocumented Immigrants

Crime, Law Enforcement, and Incarceration

Throughout the first decade of the 2000s, discontent and controversy erupted among local, state, and federal policymakers, business leaders, advocacy groups and organizations, and citizens regarding the incarceration of “criminal aliens” in the United States. Since many undocumented immigrants in the United States are young men from Mexico and Central America with characteristics similar to native-born populations who are disproportionately incarcerated (young, male, poor, high-school dropout, ethnic minority), popular stereotypes tend to reinforce the impression that undocumented immigrants and criminality are linked (Butcher & Piehl, 2007; Rumbaut & Ewing, 2007). However, the existing evidence on the incarceration of undocumented immigrants, as well as the costs associated with incarcerating undocumented immigrants

in local, state, and federal penal institutions, does not reflect the popular negative stereotypes and public discourse which often seem to guide the decisions and policy making of many current local, state, and federal legislators.

Previous studies have found that violent and non-violent crime rates among undocumented immigrants decreased during the late-1990s and mid-2000s (Bailey & Hayes, 2006; Butcher & Piehl, 2007; Nadler, 2008; Rumbaut & Ewing, 2007). According to Rumbaut and Ewing (2007), even as the number of undocumented immigrants in the United States doubled during the late 1990s, the rates of violent and property crimes decreased 34% and 26%, respectively. Using data from the annual Federal Bureau of Investigation Unified Crime Reports, Nadler (2008) compared the differences in total crime rates between High Immigrant Jurisdictions (HIJs) (defined as the 19 states with the most resident immigrants) whose resident populations include the highest proportion of immigrants and highest percentage influx of immigrants, and non-HIJs in the United States between 1999 and 2006. The study found that the total crime rates decreased by a little more than 10% across the nation (3808.1 per 100,000 residents in 2006 versus 4273.8 per 100,000 residents in 1999). Crime, both violent and non-violent, decreased at a faster rate in the 19 HIJs than in the non-HIJs. In 2006, the total crime rate in HIJs was lower than non-HIJs (3807.1 per 100,000 residents versus 3809.4 per 100,000 residents). Finally, the total crimes rate decreased from between 7 to 15 percent across all of the jurisdictions between 1999 and 2006. When examining the incarceration rate of undocumented immigrants, researchers found that the rate is lower than that for native-born citizens (Bailey & Hayes, 2006; Butcher & Piehl, 2007; Rumbaut & Ewing, 2007). Furthermore, there is evidence that immigration does not increase crime rates and actually reduces crime rates in urban areas (Reid, Weiss, Adelman & Jaret, 2005; Sampson, Morenoff & Raudenbush, 2005).

The U.S. Government Accountability Office (2005) examined the costs associated with incarcerating undocumented immigrants and found that the cost in local, state, and federal institutions totaled approximately \$5.8 billion for calendar years 2001 through 2004, with local jails and state prisons absorbing the most costs (\$1.7 billion a year). While the cost of

incarceration is important, estimating this cost is highly variable based upon a number of factors, including whether the local, state, and federal criminal justice institutions collect data on undocumented immigrants. For example, the U.S. Federal Bureau of Prisons (BOP) does not collect or keep information on "criminal aliens," and the numbers that do exist on "criminal aliens" include both documented and undocumented immigrants who are in the U.S. Nevertheless, the CBO reported that the cost to state and local governments for incarcerating undocumented immigrants represents an average of less than 5% of the state and local budgets allocated to law enforcement (CBO, 2007). The highest local cost for law enforcement activities involving undocumented immigrants was incurred by San Diego County (\$50.3 million), and that cost represented 90% of the state of California's border counties costs associated with undocumented immigrants for the year, but was almost half of the total dollar amount (\$108.2 million) spent on law enforcement activities involving undocumented immigrants by all California, Arizona, New Mexico and Texas border counties in the United States (Salant et al., 2001).

Health Care

Health care costs associated with providing care to undocumented immigrants is another contentious issue. The overwhelming majority of undocumented immigrants do not have health insurance because they are not eligible for government programs and are often not eligible for employer-provided health insurance (Goldman, Smith, & Sood, 2006). Although studies indicate that undocumented immigrants underutilize health care compared to the general population, undocumented immigrants often use emergency rooms because they are mandated to provide care regardless of immigration status or ability to pay (Ku & Matani, 2001; Marshall, Urrutia-Rojas, Soto Mas, & Coggin, 2005). This mandate can lead to higher costs for hospitals, especially for non-emergency related health care issues (Okie, 2007). As a result, there is an estimated economic cost associated with providing health care to undocumented immigrants of between \$6 and \$10 billion per year (Camarota, 2004; Goldman, Smith, & Sood, 2006).

Under the Medicare Modernization Act of 2003, the federal

government provided \$250 million annually through 2008 to reimburse hospitals and other health care providers for the costs associated with providing emergency health care services to undocumented immigrants (CBO, 2007). Although there are costs associated with health care provision to undocumented immigrants, due to their lower rates of use of health care services, these expenditures account for only 1.5% of U.S. medical costs (Okie, 2007) and the estimated tax burden per household was only \$11 per year for providing health care to undocumented immigrants (Goldman, Smith, & Sood, 2006). While some may argue that no tax dollars should go toward providing services to a population who many believe should not even be in the U.S., the \$11 annual per household tax burden is not the overwhelming financial burden that the media and many politicians claim.

Education

The 1982 Supreme Court decision in *Plyler v. Doe* guaranteed that undocumented children have a right to be educated in U.S. public schools. Since then, the costs associated with educating undocumented immigrant children have been an issue for state and local governments. The average amount spent by all states during the 2009-2010 academic year was \$10,586 per student (National Education Association [NEA], 2010). There are an estimated 1.6 million undocumented children living in the United States (Passel, Capps, & Fix, 2004). By taking into account the national average spent per student (not accounting for pre-K children or dropouts), the amount needed per year to educate undocumented children would be an estimated \$17 billion per year. Although undocumented immigrants can be found in all states, six states continue to account for almost two-thirds of the undocumented population (California, Texas, New York, Florida, Illinois, & New Jersey), which indicates that the costs to those states would be higher than to other states (Passel, Capps, & Fix, 2004).

While there is no question that there are economic costs associated with educating undocumented immigrant children, this represents only 3.3% of the total cost of between \$520-\$535 billion spent annually to educate all children in the U.S. (NEA, 2010; Passel, Capps, & Fix, 2004; U.S. Department of Education,

2005). Also, under No Child Left Behind, the federal government has the English Language Acquisition Program to reimburse states for the costs associated with children participating in English acquisition programs, regardless of immigration status. While the federal government reimbursed states \$621 million under that program in 2006, that amount only covers the costs associated with English language programs, and not the general education of undocumented immigrants (CBO, 2007).

The Social and Economic Costs of Anti-Immigrant Policies

The negative rhetoric and public perception of undocumented immigration has led to the implementation of new anti-immigration policies. Not only are there financial implications to implementing anti-immigrant policies, but social impacts as well, because groups of people are subjected to differential treatment. Anti-immigrant policies have deleterious effects on the health of the undocumented population as they live in constant states of fear; individuals are deported, families separated, and they experience discrimination. The Pew Hispanic Center reports that six in ten Latinos worry that they themselves or a family member or close friend will be deported (Pew Hispanic Center, 2010). Many children of undocumented parents are often U.S. citizens, yet despite their citizenship status they also carry the burden of many anti-immigrant policies. There are an estimated 5.5 million children with undocumented parents, approximately three-quarters whom are U.S. citizens (Chaudry et al., 2010). Chaudry and colleagues (2010) found that parent-child separation due to deportation poses serious risks to children's immediate safety, economic security, well-being, and long-term development. Children experience changes in their eating and sleeping, cry more, are more afraid, and are anxious, withdrawn, clingy, or aggressive.

Whereas in 2001, Americans perceived Blacks as the racial/ethnic group that was most discriminated against in the U.S., in 2009 Latinos were perceived as the ethnic group that is most often subjected to discrimination (Pew Hispanic Center, 2010). Perceptions of discrimination vary among Latinos; 70% of foreign born Latinos view discrimination against Latinos as a

major problem, whereas only 49% of native-born Latinos agree (Lopez, Taylor, & Morin, 2010). Regardless of nativity, one in ten Latinos report being asked by police officers or other authorities about their immigration status (Pew Hispanic Center, 2010). Substantial evidence links discrimination to indicators of poor physical and mental health among immigrants and children of immigrants (Araújo Dawson, 2009; Ayón, Marsiglia, & Parsai, 2010; Ding & Hargraves, 2009; Umaña-Taylor & Updegraff, 2007; Williams, Neighbors, & Jackson, 2008).

In 1997 the Immigration and Naturalization Service (INS) and Social Security Administration (SSA) partnered to implement a basic pilot program, commonly known as E-verify, an automated internet-based verification system that allows employers to voluntarily check the work eligibility of potential new hires (U.S. Citizenship and Immigration Services, 2010). In 2008 the CBO estimated that enacting a mandatory E-verify program would decrease federal revenues by \$17.3 billion from 2009-2018 due to workers leaving the formal economy for the unregulated, untaxed underground economy (Orszag, 2008). These projections have materialized in Arizona, one of the first states to mandate the use of E-verify, where businesses are hiring workers off the books without paying income or payroll taxes (Immigration Policy Center, 2010a). In addition, the CBO projected an increase in direct spending of \$30 million for the federal judges authorized by this bill, and costs for implementing E-verify are estimated at \$10.3 billion over the 2009-2013 period and \$23.4 billion over the 2009-2018 period (Orszag, 2008).

The Deficit Reduction Act of 2005 (DRA) requires all individuals to provide proof of citizenship and identity, with a passport or birth certificate, when applying for or renewing Medicaid coverage. As a result, forty-six states had to change their policy, as they previously only required a signed statement of citizenship, under penalty of perjury (Smith et al., 2006; Sommers, 2010). The goal of this policy is to exclude undocumented immigrants from accessing Medicaid or public health insurance (Sommers, 2010).

The findings regarding the effectiveness of this policy have been mixed. Eight months following the implementation of DRA several states experienced significant declines in Medicaid enrollment, particularly among low-income children

(Ross, 2007). Ross (2007) found that this policy is likely to take a toll on working poor families, regardless of documentation status, because they are now required to visit the Medicaid office in person, whereas before they were able to submit the paperwork by mail. In order to meet these new requirements, they have to take time off from work to secure the necessary documentation, such as a birth certificate, visit the Medicaid office, and cover the fees for the documents. In addition, access to Medicaid eligibility has been delayed because it takes time to access the required documents.

Projected costs to states following the passage of DRA ranged from \$1.3 million to \$19 million (Ross, 2007). Findings from the Current Population Survey (2004-2008) reveal that the policy has been effective in reducing Medicaid enrollment among non-citizens and has not significantly impacted citizens (Sommers, 2010). Results indicate that 1 in 4 non-citizen adults were screened out while 1 in 8 non-citizen children were screened out through the policy. However, the cost-benefit analysis revealed that instead of saving the government money, the policy has actually cost the U.S. approximately \$600 million through administrative spending and compliance costs imposed on U.S. citizens applying for Medicaid; every \$100 spent on verifying citizenship and residency only saved 14 cents (Sommers, 2010).

In 2005, the Secure Border Initiative (SBI) was launched by the Department of Homeland Security (DHS). The SBI is a multiyear, multibillion-dollar program aimed at securing the U.S. borders and reducing illegal immigration (U.S. Government Accountability Office, 2009). The U.S. Customs and Border Protection (CBP) agency is responsible for managing the SBI program and developing a comprehensive border protection system. The proposal for securing the border has two main components: (1) *SBI_{net}* which utilizes radars, sensors, and cameras to detect, identify and classify the threat level associated with an illegal entry into the U.S.; and (2) the SBI tactical infrastructure (TI), or fencing, roads, and lighting intended to enhance the U.S. Border Patrol agents' ability to respond to the area of the illegal entry and lead to arrest (U.S. Government Accountability Office, 2009). At this time, the focus has been in the Southwest region of the border, as it has been identified as needing the most attention.

The Consolidation Appropriation Act of 2008 required DHS to complete construction of 370 miles of border fence by December 31, 2008. DHS set a goal to complete 670 miles of fencing by December 31, 2008. These goals were not met. By October 31, 2008 CBP had completed 215 miles of primary SBI fencing, costing approximately \$625 million. The average cost per mile of pedestrian fencing is \$2.8 million per mile with a range of \$400,000 to \$4.8 million (U.S. Government Accountability Office, 2009). *SBI_{net}* has also been unsuccessful and costly. DHS has spent over \$1.5 billion since 2006 (U.S. Government Accountability Office, 2010). Boeing has billed the department more than \$850 million since the project began (Bennett, 2010). This large investment has resulted in only 53 miles of unreliable coverage of a more than 2,000 mile border. In January 2011, the *SBI_{net}* project was cancelled by Homeland Security Secretary Janet Napolitano.

Ecnomic Benefits Provided by Undocumented Immigrants

Federal Level

There are economic costs and benefits of having undocumented immigrants and their children living in the United States. The CBO reported that on a federal level, revenues generated by undocumented immigrants are greater than the expense of providing services because undocumented immigrants do not qualify for federal programs (CBO, 2007). In addition to the additional revenue generated through taxes, undocumented immigrants contribute to the U.S. economy in other ways.

The financial solvency of the Social Security and Medicare programs in the U.S. relies on payroll tax revenue (Segal, 2010). Despite the public discourse to the contrary, the majority of undocumented immigrants pay income taxes through the use of Individual Taxpayer Identification Numbers (ITINs) or through false Social Security numbers (National Council of La Raza [NCLR], 2008; U.S. Chamber of Commerce, n.d.). As a result, undocumented immigrants contribute over \$7 billion annually to Social Security and over \$1.5 billion to Medicare (NCLR, 2008).

Although some undocumented immigrants receive Social Security and Medicare benefits, the majority do not receive any benefits from those programs (NCLR, 2008; Sommers, 2010). Since false Social Security numbers are not appropriately linked to an individual who can take advantage of Social Security benefits, the majority of contributions to Social Security from undocumented immigrants go into an earnings suspense file. The Social Security Administration factors in the over \$7 billion annual contributions from undocumented immigrants into the Social Security Administration's calculations and projections for the solvency of Social Security (Porter, 2005; U.S. Chamber of Commerce, n.d.). The retirement of the baby boom generation will lead to increased expenditures for Social Security (Abel, 2003) and additional tax revenue is needed to provide Social Security benefits to current and future retirees. Since undocumented immigrants are ineligible to receive government services, it is estimated that undocumented immigrants pay an average of \$1,800 per household, per year more to Social Security and Medicare than they utilize in services (Camarota, 2004). Therefore, undocumented immigrants actually contribute to the solvency of Social Security and Medicare and help to provide services to current and future retirees.

State and Local Level

While current rhetoric in the immigration debate decries how undocumented workers steal jobs, immigrants working in the U.S. do not take away jobs from citizens; instead they stimulate the state and local economies and complement the workforce by providing a necessary pool of unskilled labor (U.S. Chamber of Commerce, n.d.). For example, despite the costs, there may be economic benefits associated with having undocumented children in schools that are often not considered. Higher student enrollment may lead to the creation of more jobs, not just for teachers, but in all educational-related services including administrators, maintenance staff, teaching assistants and other paraprofessionals, bus drivers, and other school staff which would help local and state economies. The creation of jobs as a result of higher student enrollment often results in an increase in federal funding for schools (Spradlin, 2008) and can lead to an increase in state and local revenue

generated by income and sales taxes (Harvey, 2011). Higher student enrollment may lead to an increase in economic activity as a result of the purchase of additional textbooks and other educational materials, as well as with families' back-to-school shopping that is done before every academic year. Businesses anticipate the annual surge in sales and higher profits, which benefit the local economy because of the sale taxes generated from back-to-school shoppers (Censky, 2010; Fierro, 2010).

Contrary to the implication that immigrants exacerbate unemployment, high rates of immigration are linked to less unemployment (Riley, 2008). This does not diminish the economy, but encourages specialization and increases wages for native workers (Card, 2007). Most undocumented immigrants in the U.S. work in low-skilled jobs and do not compete with American workers. The influx of low-skilled laborers into the U.S. has been shown to slow the decline of manufacturing industries (Capps et al., 2007) and contribute to the creation of new jobs (Peri, 2006). For example, the Bell Policy Center found that for every job held by an undocumented immigrant in Colorado, 0.8 jobs are created (Boven, 2011; Fairley & Jones, 2011). While there are few official estimates from the federal government regarding how much undocumented immigrants contribute to the U.S. economy, the available evidence indicates that undocumented immigration is part of a positive force that immigration has upon the U.S. economy.

In addition to the economic benefits to Social Security and Medicare, undocumented immigrants also provide revenue to state and local governments as a result of their employment, purchases, and taxes. Unfortunately, state and local governments do not use a consistent method to analyze the economic impact of undocumented immigrants, which prohibits accurate comparisons of positive and negative economic impacts across all states (CBO, 2007). Nevertheless, it is important to present the information that is available, in order to dispel the myths that undocumented immigrants do not pay any taxes and do not have a positive impact on some state and local economies. Table 1 provides the available information that allows for comparisons of the economic contributions through taxes of undocumented immigrants across various states.

Table 1. State and Local Economic Contributions of Undocumented Immigrants

State	Type of Tax	Total Tax Contribution
California	state income	\$280 million ¹
Colorado	state income, sales, & property	\$159 - \$194 million ²
Georgia	state income, sales, & property	\$215.6 - \$252.5 million ³
Indiana	state and county income, sales, & property	\$96.8 million ⁴
Iowa	state income, sales, excise, & property	\$40 - \$62 million ⁵
Missouri	state income, excise, & property	\$29 - \$57 million ⁶
New Mexico	state income, sales, & property	\$64.7 million ⁷
Oregon	state income, excise, & property	\$134 - \$187 million ⁸
Virginia	state income, sales, excise, & property	\$145 - \$174 million ⁹

¹ Pastor, Scoggins, Tran, & Ortiz (2010); ² Baker & Jones (2006); ³ Coffey (2006); ⁴ Heet (2009); ⁵ Pearson & Sheehan (2007); ⁶ Ehresman (2006); ⁷ Immigration Policy Center (2010c); ⁸ Oregon Center for Public Policy (2007); ⁹ Cassidy & Okos (2008)

Also, contrary to studies reporting that the cost to states with high numbers of undocumented immigrants outweighs their economic contributions, several states reported that undocumented immigrants contribute more in state and local taxes than they consume in services, as well as stimulating state and local economies. The Texas Comptroller reported that undocumented immigrants provided \$17.7 billion in gross state product, including over \$424 million more in state revenues than they consumed in state services including education, health care and law enforcement (Strayhorn, 2006). If all undocumented immigrants in Texas were to leave or be deported, not only would Texas lose over \$400 million in state revenues, but Texas would also lose 2.3% of jobs in the state because of the economic activity of undocumented immigrants

that supports businesses and employment (Strayhorn, 2006). Arizona, another state with a high undocumented immigrant population, would lose \$11.7 billion in gross state product and over 140,000 jobs in the state if all undocumented immigrants living in the state were to leave or be deported (Immigration Policy Center, 2010b).

Even studies that report an overall economic loss as a result of providing services to undocumented immigrants indicate that those losses are negligible once the economic benefits of undocumented immigrants are considered (Hanson, 2007). In Illinois, Mehta and colleagues (Mehta, Theodore, Mora, & Wade, 2002) found that the purchases of undocumented immigrants in the Chicago metropolitan area stimulated an additional \$2.56 billion in local spending which supports 31,908 jobs. Iowa estimated that undocumented immigrants subsidize services that only U.S. citizens and documented immigrants can access because undocumented immigrants pay more in state and local taxes than the costs of providing the state and local services they utilize (Pearson & Sheehan, 2007). In Colorado, undocumented immigrants contribute more in income, property, and sales tax revenue than they consume in services provided by the state for education, health care, and incarceration (Fairley & Jones, 2011). In addition to the tax revenue, the economic activity generated by undocumented immigrants in Colorado created an additional 91,000 jobs, \$4.7 billion in personal income, and \$15 billion in industry output for the state of Colorado (Boven, 2011; Colorado Center on Law & Policy, 2011; Fairley & Jones, 2011).

Implications for Social Work Practice

The negative public discourse regarding undocumented immigration may lead to increased levels of perceived discrimination among all Latinos, but undocumented Latinos in particular. The mission of the social work profession is to promote social justice and social change on behalf of oppressed and vulnerable populations (NASW, 2008); therefore, the social work profession is uniquely positioned to take action around the impact of the negative public perceptions and public policies regarding undocumented immigration. On the micro level, social workers who work with individuals and

families must be aware of the negative impacts that perceived discrimination can have on the physical and mental health of individuals. As stated earlier, a plethora of studies have found that the physical and mental health of immigrants and children of immigrants is negatively impacted by discrimination. It is therefore necessary for social workers to assess physical and specific mental health conditions that may be associated with perceived and experienced discrimination such as stress, depression, and anxiety (Finch, Hummer, Kol, & Vega, 2001).

At a macro level, social workers must also work with communities and facilitate educational forums to discuss the fears surrounding undocumented immigration. By inviting community members and the media, these forums can be used to dispel misinformation surrounding the economic costs associated with undocumented immigrants' use of public services and demonstrate the positive impact that undocumented immigrants may have on the local, state, and U.S. economies. Social workers must also continue to advocate for social justice for undocumented immigrants. Social work agencies providing services to Latino communities can create coalitions that lobby politicians and advocate for more just and humane policies aimed at undocumented immigrants in the U.S.

Furthermore, social workers need to develop strategies and programs to help immigrants negotiate the effects of anti-immigrant policy and practices. For example, in some states most publicly-funded efforts to promote diversity have been eliminated (i.e., bilingual education and ethnic-based programs in schools). Consistent with a strengths-based approach, social workers in community based settings can engage in developing programs that promote ethnic identity development, as researchers have found that strong ethnic identity promotes well-being and protects youth from the negative effects of discrimination (Smokowski & Bacallao, 2007; Umaña-Taylor & Updegraff, 2007). Social workers can also raise awareness among immigrant communities by informing them of their Constitutional rights. For example, the ACLU disseminates "Know Your Rights" information in English and Spanish about individuals' as well as immigrants' rights when interacting with law enforcement agents (ACLU, 2010). Social workers can partner with immigration attorneys to organize

workshops to ensure that immigrant communities know their rights to minimize the potential for civil rights abuses.

The policies that have been enacted to deter undocumented immigration are costly and ineffective. Therefore, all social workers should advocate for policies that will provide more accurate information about the economic impact of undocumented immigrants, that will help meet the demand for labor in the U.S., and that will allow undocumented immigrants to contribute fully to the U.S. while allowing them to improve their lives and provide for their families. All states should conduct a comprehensive cost benefit analysis similar to the one conducted by the Texas Office of the Comptroller in 2006.

The federal government should reassert its role on immigration and pass comprehensive immigration reform which includes a new and expanded guest worker program; this would deter individual states from developing harmful, costly, and ineffective policies. Currently H1 (Specialty Occupations), H2A (Temporary Agricultural Workers) and H2B (Temporary Non-Agricultural Workers) visas allow foreign nationals to enter the U.S. for employment (U.S. Citizenship and Immigration Services, 2010). The current quota, which is set at 65,000 for each type of visa, is far short of what is needed to meet the demand for immigrant labor. Until comprehensive immigration can be enacted by the federal government, the quotas for these visas should be increased to more accurately reflect labor demands. The U.S. Congress must also pass the Development, Relief, and Education, for Alien Minors (DREAM) Act, which would grant conditional permanent residency for undocumented students who graduate from a U.S. high school or earn their GED, and either complete at least 2 years at an institution of higher learning or military service. This would provide undocumented students with the opportunity to not only improve their lives, but to contribute fully to society through military service, increased tax revenue, and civic engagement. Increasing the number of Latino college graduates may generate an additional \$7 billion in federal tax revenue to Social Security per 10 year cohort of students (Robles, 2009).

Conclusion

Although there are costs associated with undocumented immigrants living in the U.S., their overall economic contributions, including employment, purchases, and tax revenue generated may result in a financial benefit to the U.S. at the federal level, and for some local and state governments as well (Immigration Policy Center, 2010b, c; NCLR, 2008; Porter, 2005; Strayhorn, 2006; U.S. Chamber of Commerce, n.d.). Even in states where the costs of providing services to undocumented immigrants is greater than the tax revenue generated, those costs represent less than 5% of those states' total budgets allocated for law enforcement, education, and health care (CBO, 2007), and not the huge economic drain claimed by many politicians and anti-immigrant organizations. The negative depictions of undocumented immigrants by the media and the discussion by some politicians about the economic drain of undocumented immigrants on the U.S. economy, which are based on exaggerations, the distortion of data, or incomplete information, have created a hostile environment for undocumented Latinos in the U.S. (Becerra, 2012). This has led to ineffective and costly policies that deny services to undocumented immigrants and increase immigration enforcement (CBO, 2008; NCLR, 2008; Sommers, 2010; U.S. Chamber of Commerce, n.d., U.S. Government Accountability Office, 2009, 2010).

In addition, the negative public discourse surrounding undocumented immigration has led to the rise of extremist and vigilante groups such as the Minutemen. The implementation of policies, such as Arizona's SB 1070, create fear and lead to higher individual and societal costs (Androff et al., 2011; Becerra et al., 2010). These ineffective anti-immigrant policies may have exacerbated the current financial crisis faced by federal, state, and local governments. The social work profession cannot allow this population to continue to be used as scapegoats. Social workers must utilize accurate information about the economic impact of undocumented immigrants and advocate for humane policies that will help meet the demands for labor and allow undocumented immigrants to be treated fairly for their contributions to the U.S. economy.

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