

Can We Afford So Many Unskilled Immigrants?

The New York Times

January 26, 1994, Wednesday, Late Edition - Final

Copyright 1994 The New York Times Company

Distribution: Editorial Desk

Section: Section A; ; Section A; Page 20; Column 4; Editorial Desk ; Column 4; ; Letter

Length: 488 words

Body

To the Editor:

Anthony Lewis claims in "The Politics of Nativism" (column, Jan. 14) that Julian Simon showed in The Wall Street Journal last year that immigrants do not take the jobs of the native born and that the average immigrant family pays \$2,500 more in taxes annually than it receives in public services.

Professor Simon and Mr. Lewis are clearly wrong on both accounts. George Borjas, a national researcher, wrote in the National Review for Dec. 13, 1993, that Mr. Simon's calculation was quite wrong. Mr. Simon has both immigrants and natives running a surplus. Since welfare programs are supposed to redistribute income from some groups to others, both cannot be running a surplus.

Mr. Lewis overlooks other soundly based estimates of public service costs. For example, the Rand Corporation, hardly a nativist anti-immigrant group, found that each permanent Mexican immigrant in California had a public service deficit of more than \$1,000 annually in 1982.

My own recent national study found that the annual after-tax deficit of post-1970 immigrants, both legal and illegal, exceeds \$2,000 per immigrant -- a total cost of more than \$42 billion. Comparatively, the native born had a surplus on public services after taxation.

This is not surprising. Data from the 1990 Census show that the poverty rate of post-1970 immigrants is 42 percent higher than that of the native born. An immigrant's probability of receiving public assistance, adjusted by the amount of assistance received, is 44 percent greater than that of the native born. High welfare usage, combined with low earnings (meaning low taxes), means that immigrants must run a public-service deficit that is financed by the native born with low welfare and higher earnings (meaning higher taxes).

Professor Simon's long-held belief that immigrants do not displace Americans in the labor market has been repudiated by a number of careful studies in recent years. A consensus is developing (Huddle, Altonji and Card, Walker, Ellis and Barf) that for each six to seven immigrants, one unskilled or blue-collar job is lost to Americans. As Richard Bean of the University of Texas recently showed, slow growth areas are particularly prone to labor displacement. As in California during the 1990's, many native born, according to Randy Filer in a National Bureau of Economic Research study, end up fleeing the region to avoid job losses and falling wage levels.

Although immigration is more than dollars and cents, we still must be more aware of the affordability issue of large-scale unskilled immigration from the third world. No doubt, however, pro-immigration advocates such as Dr. Simon and Mr. Lewis will be willing to dig a little deeper into their pockets during income tax season to help offset our national budget deficit.

Can We Afford So Many Unskilled Immigrants?

DONALD L. HUDDLE

Houston, Jan. 18, 1994

The writer is professor emeritus of economics at Rice University.

Classification

Language: ENGLISH

Subject: IMMIGRATION (89%); INCOME ASSISTANCE (89%); WELFARE BENEFITS (89%); COMPANY EARNINGS (89%); GOVERNMENT BUDGETS (78%); ECONOMICS (77%); POOR POPULATION (77%); LABOR SECTOR PERFORMANCE (77%); COLLEGE & UNIVERSITY PROFESSORS (76%); RESEARCH INSTITUTES (76%); TAXES & TAXATION (72%); RESEARCH REPORTS (71%); POVERTY & HOMELESSNESS (70%); ECONOMIC NEWS (70%); CENSUS (67%); POVERTY RATES (65%)

Company: RAND CORP (69%); WALL STREET JOURNAL (58%); RAND CORP (69%); WALL STREET JOURNAL (58%)

Industry: GOVERNMENT BUDGETS (78%); BUDGETS (77%); COLLEGE & UNIVERSITY PROFESSORS (76%); BUDGET DEFICITS (68%)

Geographic: HOUSTON, TX, USA (72%); CALIFORNIA, USA (90%); TEXAS, USA (79%); UNITED STATES (92%)

Load-Date: January 26, 1994

End of Document