How the Government Spends Taxpayers' Money

by Phyllis Schlafly April 23, 2008

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Are you having a hard time paying your bills, making your mortgage payments, or putting your kids through college? You need to know how much of your hard-earned income the government is skimming off and diverting into handouts to immigrants and illegal aliens.

You can read the depressing details in the new 70-page document called "The Economic and Fiscal Impact of Immigration" written by Edwin S. Rubenstein. A Manhattan Institute adjunct fellow with a mile-long scholarly resume, he has been doing financial analysis ever since he directed the studies of government waste for the prestigious Grace Commission of 1984.

The bottom line, which you need to know for your own bottom line, is that U.S. taxpayers are giving more than $9,000 a year in cash or benefits to each immigrant, a third of whom are illegal aliens. That's $36,000 for each immigrant household of four.

Since the U.S. has 37 million immigrants, legal and illegal, the national cost was more than $346 billion last year, which was twice our fiscal deficit. The cost of immigrants is so high because, as Rubenstein writes, "Immigrants are poorer, pay less tax and are more likely to receive public benefits than natives."

Big Brother hasn't told you this bad news, perhaps because the government doesn't want you to know why your paychecks are shortchanged. Even the huge amnesty bill that was defeated last year didn't contain one word about its budgetary consequences.

The financial burden that immigrants impose on education starts with the 3.8 million K-to-12 students enrolled in more-expensive classes for the non-English-speaking. When we add up the costs of hiring specialized teachers, training regular teachers, student identification and assessment, and administration costs, the total amounts to an estimated $1,030 per pupil, or $3.9 billion.

Of the 48.4 million pre-K through 12 public school children, 9.2 million or 19 percent are immigrants or the children of immigrants. In the next few years, immigration will account for virtually all the increase in public school spending.

Look at the $1.5 billion cost of incarcerating 267,000 criminal aliens in federal prisons. That's not the worst of it; prison capacity is limited, so 80,000 to 100,000 other criminal aliens have been prematurely released to prowl our streets.

Criminals also impose heavy private costs on their victims. Rubenstein estimates the losses of income and property, hospital bills, and emotional suffering at $1.6 million per assault- or property-crime offender.

Rubenstein's report includes all sorts of costs that other observers conveniently ignore, such as the Earned Income Tax Credit. EITC gives an average cash payment of $1,700 per year to 1 in 4 immigrant households.

The emergency medical treatment given free to illegal aliens is another enormous cost, causing some hospitals and emergency rooms to close. Emergency means any complaint from hangovers to hangnails, gunshot wounds to AIDS.

Even after some restrictions were imposed in 1996, 24.2 percent of immigrant households receive Medicaid, whereas the figure for native-born Americans is 14.8 percent. Rubenstein calculates that Hispanics account for 19.2 percent of Medicaid enrollment, while they are 13.7 percent of the U.S. population.

The FHA has had a policy of increasing home ownership among low-income immigrants and therefore approved FHA mortgages on homes with a down payment of only $200 to $300 and marginal income. Since mortgagors have so little invested in the house, they can walk away from it when they can't meet the payments, and this has resulted in neighborhoods of abandoned, boarded-up housing.

Refugees are a large and growing fiscal burden because they become immediately eligible for generous taxpayer-paid benefits. Evidence shows they stay dependent on these programs and start chain-migrating relatives under the "family reunification" law.

The Interior Department spends millions of dollars to clean up the mountains of trash discarded by illegal aliens crossing into California, Arizona, New Mexico and Texas.

Some immigration advocates peddle the notion that immigration will solve the future financial burdens of Social Security. Rubenstein shows how foolish is this prediction because today's low-wage workers will surely become tomorrow's expensive retirees.

Another cost that few talk about is that immigrant workers depress the wages received by native-born Americans, and that causes a $100 billion shortfall in federal tax revenue. Harvard University Professor George Borjas found that each 10 percent increase in the U.S. labor force from immigration reduces wages of native-born Americans by 5.25 percent.

Some liberals are trying to tell us to fight a recession by bringing in more immigrants, but that would only raid the pockets of U.S. taxpayers to support more millions of non-taxpayers. It's hard to say which is more outrageous: the diversion of Americans' personal income into cash handouts to foreigners, or the federal government's policy of concealing the fiscal impact of immigration.