



# LSP Myth Buster #25

An ongoing Land Stewardship Project series on ag myths and ways of deflating them.

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**Myth:** Undocumented immigrants drain the U.S. economy by not paying taxes and by being a tremendous burden on the health care system.

**Fact:**

Agriculture is particularly reliant on immigrant labor, mostly from Mexico. Around half of the 1.8 million farm workers in the nation are probably undocumented, according to estimates.

A popular strategy for blocking any immigration reform that is just and fair is to claim that all undocumented workers are a massive burden on public services. Therefore, goes the argument, every effort should be made to deport them, no matter what the impact on families and local communities. It's also used as an argument for restricting all immigration—legal and otherwise.

However, a closer look at the numbers undermines this “drain on the economy” argument.

### They pay taxes

Between half and three-quarters of undocumented immigrants pay federal and state income taxes, Social Security taxes and Medicare taxes, according to the Immigration Policy Center. They also pay sales taxes when they make purchases, as well as property taxes—even if they rent their housing. So these workers are paying into programs like Social Security and Medicare, even though they are not eligible for benefits. That means payments made by the estimated seven million undocumented immigrants into such programs amounts to a bonus to public coffers that can be as high as \$7 billion annually, according to the *New York Times*.

The Iowa Policy Project concluded in a 2007 report that in that state undocumented immigrants pay an estimated aggregate amount of \$40 million to \$62 million in state taxes annually, and an estimated \$50 million to \$77 million in Social Security and Medicare taxes. “Rather than draining resources, undocumented immigrants are in some cases subsidizing services that only documented residents can access,” concluded the report.

### Less use of health care services

And just a small portion of health care money in this country is used to provide publicly supported care to undocumented immigrants, according to a study published

in *Health Affairs*, a journal on health policy. The study, which was based on surveys with 2,400 English- and Spanish-speaking adults living in California's Los Angeles County, was conducted by the Rand Corporation. It found that non-elderly, adult immigrants—legal and undocumented—made fewer visits to doctors and hospitals than their native-born counterparts. The study's authors estimate that in the U.S. overall, about \$1.1

billion in federal, state and local government funds are spent annually on health care for undocumented immigrants aged 18 to 64. That stands in contrast to the \$88 billion in government funds that were spent on health care for all non-elderly adults in the U.S. in 2000.

One reason for the difference is that undocumented immigrants simply don't seek medical care because of fears any contact with institutions in this country will lead to

deportation. But the Rand researchers say another factor is that immigrants in general seem to be healthier than the native born. The Rand study found that while 38 percent of the native-born reported having chronic health problems, only 27 percent of the foreign-born and 19 percent of the undocumented immigrants had such conditions. Immigrating, particularly if it's through backdoor, illegal channels, is an arduous task—one that discourages travelers with chronic health problems.

### More information

◆ The Immigration Policy Center's report, “Undocumented Immigrants as Taxpayers,” is at [www.immigrationpolicy.org/index.php?content=fc071101](http://www.immigrationpolicy.org/index.php?content=fc071101).

◆ “Undocumented Immigrants in Iowa: Estimated Tax Contributions and Fiscal Impact” is available on the Iowa Policy Project website at [www.iowapolicyproject.org/2007docs/071025-undoc.pdf](http://www.iowapolicyproject.org/2007docs/071025-undoc.pdf).

◆ The *New York Times* article, “Illegal Immigrants Are Bolstering Social Security With Billions,” is at [www.nytimes.com/2005/04/05/business/05immigration.html](http://www.nytimes.com/2005/04/05/business/05immigration.html).

*This Myth Buster is brought to you by the members and staff of the Land Stewardship Project, a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland and to seeing more successful farmers on the land raising crops and livestock. For more information, call 612-722-6377 or visit [www.landstewardshipproject.org](http://www.landstewardshipproject.org).*

