



Immigrant use of public assistance and mode of entry: Demographics versus dependence



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ABSTRACT

A view that gained momentum in the 1990s, and which is sustained by some policy analysts and labor economists today, is that dependence on public assistance is greater for immigrants than for natives. Accordingly, this study investigates nativity differentials in the use of nine assistance programs, focusing on immigrant arrival cohorts within three distinct mode-of-entry proxy categories. The logistic regression analysis uses data from the 2013 CPS March supplement. To permit more nuanced interpretation, control variables are introduced hierarchically in a three-stage analysis. One new finding is that each of the three major regional-origin groups within the 1980–1995 refugee cohort—with an average length of residence exceeding two decades—sustains greater use of either SSI or Medicaid than natives. The study concludes that nativity differences in the use of public assistance continue to rest on the socio-demographic composition of three distinct populations, determined by mode of entry into the U.S.

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1. Introduction

A controversial view cultivated in the 1990s, and sustained by some policy analysts and labor economists today, is that immigrants rely more on public assistance than natives (Borjas, 2011; Camarota, 2012). Investigations of this claim for more than two decades have produced a full array of analytical tools for comparing immigrants and natives regarding their use of public assistance (Bean et al., 1997; Bean and Stevens, 2003; Borjas, 1999, 2011; Borjas and Hilton, 1996; Fix and Passel, 1994; Tienda and Jensen, 1986). Commonly, these analytical tools distinguish between *types of assistance* programs and distinguish among immigrants according to *mode of entry* into the U.S. Such analyses reveal that immigrants admitted via an authorized, non-refugee entry mode are actually *less* likely than native households to use public assistance, with exceptions such as school lunches (Bean and Stevens, 2003) and Medicaid (Capps et al., 2009). However, less is known about specific program use by either refugee entrants or immigrants from key countries supplying the bulk of unauthorized entrants—Mexico, Honduras, Guatemala, and El Salvador (see Anderson, 2010). Within these immigrant subgroups, the question is whether specific programs used by any of the post-1960 arrival cohorts reveal welfare dependence.

In response to criticism in the mid-1990s, public assistance programs have been structured more explicitly to minimize dependence arising from work disincentives. Principally, this was done through the enactment of Temporary Assistance to Needy Families (TANF) with a five-year lifetime limit, enforcement of TANF's work requirements, and in some instances decreasing benefit reduction rates to support the transition from welfare to work (Stoker and Wilson, 2006). For example, the steep benefit reduction rate of 67–100 percent for AFDC (Bitler and Hoynes, 2011) acted like a tax on earnings that

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discouraged increased work effort (see Moffit, 1983). Since the mid-1990s, a strengthened *work support system* has channeled more means-tested benefits to low-income families by supplementing earnings rather than supplanting them (Stoker and Wilson, 2006; Haskins and Sawhill, 2009). However, outside these concerns about *work disincentives*, perceptions of *family-support dependence* may also arise from public assistance (1) that supplants immigrant support for elderly non-working kin brought to the U.S. or (2) that subsidizes above-average fertility for certain immigrant groups once in the U.S.

Certainly, dependence will vary by program type. Dependency—defined as a condition in which self-sustaining effort (including work) has been displaced by assistance—is tracked by the U.S. Department of Health and Human Services (2014) for three programs only: SSI, TANF, and food stamps. Dependency is less likely for public assistance programs that neither provide cash nor satisfy the minimal requirements of working-age adults for food and shelter. Program combinations that are not life sustaining cannot, unless supplemented by additional income sources, provide an alternative to income-generating employment. Key examples of such programs are WIC (Special Supplemental Nutrition Program for Women, Infants, and Children), subsidized school meal programs and Medicaid. Ultimately, insofar as disincentives for working or for supporting kin are central to assessing *dependence* on public assistance, any analysis with this specific assessment goal should be focused on the working-age population.

Much research has focused on underutilization of public assistance—and by implication, relatively low welfare dependence—for authorized non-refugee immigrants (see Bean and Stevens, 2003; Fix and Passel, 1994). The mode of entry for these immigrants is mainly through a visa application process requiring sponsorship by a family member who is a U.S. citizen or legal permanent resident, or by a prospective employer (see U.S. Department of State, 2014). Because this screening mechanism only selects immigrants with close family or economic ties in the U.S., these entrants can be expected to reflect the national socio-demographic profile. Consequently, based on mode-of-entry screening for socio-demographic characteristics, it is possible to make a prediction: use of all public assistance programs will be no greater for sponsored non-refugee immigrants than for natives. In short, this prediction boils down to a sponsor-mirror hypothesis.

A very different socio-demographic profile emerges for immigrants from four countries south of the U.S. border—Mexico, Honduras, Guatemala, and El Salvador—which supply the bulk of unauthorized entrants. Notably, these four countries serve as a proxy for a distinctive mix of authorized and unauthorized immigrants. For example, as much as 85 percent of Mexican immigrants from 1995 to 2005 were unauthorized (Passel, 2006, pp. 4–5; Passel and Clark, 1998, table 3). An unauthorized entry mode not only requires successful evasion of law enforcement, but agreeing to forgo government benefits or high-paying, secure jobs. Consequently, surreptitious entry favors young and healthy adults (not disabled) of *childbearing age* who have no college degree and who seek low-skill work. Notably, this mode of entry enmeshes unauthorized migrants in a pro-employment subculture, reinforced both by extended kin pressures for regular remittances and by job-seeking social networks (Van Hook and Bean, 2009). Based on both a pro-employment subculture and a high proportion of adults being ineligible for public assistance, there is clear empirical grounding for the southern migrant *equivalence* hypothesis: *When compared with natives with similar socio-demographic characteristics at an equally low income level*, migrants from Mexico, Honduras, Guatemala, and El Salvador will have a lower rate of using public assistance—except for programs exclusively targeting children such as WIC and school meals. For these latter programs, unauthorized entry does not affect eligibility (NCSL, 2014) and a pro-employment subculture is not contrary to program use.

Associated similarly with the high proportion of immigrants undergoing unauthorized mode-of-entry screening, a southern migrant *nonequivalence* hypothesis can also be formulated. Namely, when compared with natives, *and when socio-demographic characteristics are not held constant*, use of public assistance programs targeting families rather than disabled persons will be greater among migrants from Mexico, Honduras, Guatemala, and El Salvador. The explanatory key here is the intersection between demographics and eligibility. Because unauthorized entrants are screened for youthful vigor correlated with primary childbearing years, it is not surprising that nearly 80 percent of the children of unauthorized immigrants are U.S.-born (Passel and Taylor, 2010) and are therefore eligible for public assistance (Skinner, 2012). Moreover, program use by these eligible American-born children is not reduced because of the ineligibility of the parents. Xu and Brabeck (2012) report that the level of service utilization for citizen children in Latino families is about the same whether the immigrant parents are authorized or not. To reiterate, then, relatively higher use of means-tested assistance other than SSI would predictably emerge, then, from the demographics of eligibility: belonging to a low-income population with a high proportion of households with children but with a low proportion having work disabilities.

Entry as a refugee, on the other hand, selects for distinctive socio-demographic characteristics that include disabilities and other obstacles to working. Applicants for refugee status must submit various documents, along with an affidavit and proof of persecution or fear of persecution, to U.S. Citizenship and Immigration Services (USCIS, 2014a). This screening process assures that, relative to other populations, refugees are more likely to show lasting socio-emotional effects of torture and trauma (Kinzie et al., 1990; Mollica et al., 1993; Wagner et al., 2013; Wong et al., 2011). Refugees are also more likely to display poor physical and mental health that either arises from conflict in the origin country or from the adverse circumstances of their escape (Pickwell, 1999; Wagner et al., 2013). Aside from being subjected to possible death, torture, hard labor, or starvation in the origin country, the circumstances of escape can be quite traumatic. For many Southeast Asian and Cuban refugees escaping on small boats and rafts, fear of death was spurred by the sight of other boats sinking, people drowning, corpses being eaten by sharks, and small craft tossing about in stormy seas. Furthermore, for those Cuban and Southeast Asian refugees who were detained for many months in refugee camps, it was also traumatic witnessing riots, arrests, violence, and suicide attempts (Rothe et al., 2002). In addition, the likelihood of emotional and economic hardship is increased when losing extended family members (Ben-Porath, 1987). For example, among refugees who were in Cambodia

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