

Honorable Congressman Steve King:

Thank you for talking with me some 5 minutes April 28, at the Faith and Freedom event featuring several presidential candidates, about my concerns that the dozen or so researchers who allege negative economic consequences of immigration have [no university credentials](#) in economics, yet are heard over the thousands of credentialed economists who are virtually unanimous in a positive view.

When I told you that Steven Camarota of CIS has none, you said you have more confidence in Robert Rector anyway. You spent time explaining several details of his 102 page 2013 [study](#) to me. You even gave me your personal email address so I might follow up after I have studied it myself.

You told me you are impressed with all the factors he thought of to consider, and after reading it I agree. Even where I conclude he counted factors he should not have and didn't count factors he should have, he made his reasons for his choices clear. They merit a response that addresses the thought that went into his decisions. So I do not just characterize or summarize the problems I find: I quote Rector at length, and *The New Americans* study whose methodology Rector says he follows, so you can see the difference.

Elihu spent a chapter and a half of the Bible (Job 32-33) apologizing to national leaders (Job 29) for speaking on a subject for which he lacked credentials. I similarly beg your indulgence in considering my reasons why confidence in Rector's report is misplaced, though I have no more economics credentials than Rector. I, too, am an Undocumented Economist. (His [major](#) was Political Science; mine was Music Education. His co-author [majored](#) in Pol Sci and Public Policy.)

Mindful of my academic unfitnes for such an analysis, I have not dared to send it to you without first having it reviewed by someone with the qualifications I lack. I thank Cato Institute economist Alex Nowrasteh for looking it over. He wrote, "your piece is the best summation of the debate over Rector's study & its flaws that I have yet seen." (See 5-E for his complete statement.)

I had no idea, when I spoke with you, that this labor would fill 3 months and 55 pages! But even if no one reads this, I wanted to be sure, myself.

Several eminently qualified critics of Rector have condensed their concerns into a single page. [Nowrasteh](#), [Nowrasteh](#), [Kane Holtz-Eakin](#), [Hennesey](#), [Pethokoukis](#). There was a CNN [debate](#) between Rector and Nowrasteh.

What drives me to expose errors like Rector's is that they challenge Jesus' intelligence, Who said "Give, and it shall be given unto you; ... For with the same measure that ye mete withal it shall be measured to you again." Luke 6:38 (See Appendix 3 for more quotes from God.) I am not qualified to defend God either, but God invites us to, in 1 Peter 3:15.

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Contents of

Rector's Undocumented Reckoning

Tip for skimmers: The first paragraph of each section summarizes its claims. If they do not interest you, skip the evidence that follows.

Part 1: Economic Impact Ignored

A-Central duty of claimed methodology omitted	2
B-Counting per household selectively	4
C-Counting citizens as illegals	9
D-Counting costs of youth, old age, not gains of work years	11
E-Citizens valued by taxes owed	13
F-How Rector justifies not counting economic contribution of immigration	17
G-"Immigrants hurt wages" based on outdated study, mistaken math	22
H-No wage growth is assumed	25

Part 2: Education

A-Letting immigrant children attend college to become "net contributors" nixed	26
B-Dissing "net tax consumers" attacks public ed's premise	27
C-Rich adult singles to be deported with expensive children	28
D-Immigrants charged for government waste	29

Part 3: Social Security

A-Counting SS, not grown kids' tax payments	31
B-Questionable SS math	31
C-Obamacare, SS costs counted	32
D-Obscuring a real solution	34
E-Final solution – repeal abortion!	34

Part 4: Ignoring Critics

A-Not citing or addressing critics	35
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Part 5: Miscellaneous problems

A- "Net present value" ignored	39
B-Reverse age discrimination?	39
C-13-year benefit delay a "ploy"?	40
D-Deportation costs ignored	41
E-More Nowrasteh facts	44
Appendix 1: Quotes from <i>New Americans</i>	48
Appendix 2: Quotes from CBO	50
Appendix 3: Quotes from God	52

Rector's undocumented reckoning

Summary Robert Rector's 2013 [study](#) reached its conclusion that America can't afford more immigration by counting things he shouldn't have, and *not* counting things he *should* have.

He did *not* count, against immigration's cost, the 2% growth of America's economy which he acknowledged results from immigration.

He *did* count immigrants by "household" *before* they retired so their kids' education costs could cancel out their tax payments, but as "individuals" *after* they retired so their adult kids' tax payments would not be counted against their Social Security benefits.

He did *not* count the tax contributions of moms in households headed by "unlawful immigrants", when moms were citizens and thus better educated more likely to be "net tax contributors".

He *did* count the welfare and education costs of citizen children as the cost to taxpayers of unlawful immigrants, when the household is "headed" by an "unlawful immigrant" – even if both parents of the children were citizens but mom had remarried.

He did *not* count the 20% of immigrants who are single, and who thus have the highest ratio of taxes paid to benefits received because their benefits received do not include public education for their children.

He *did* count Obamacare and Social Security costs for immigrants in the distant future as if neither will be reformed; the problem being that if they are not reformed, there will be nothing left of America for immigrants to destroy.

His decisions, though rationalized well, add up to a difference between his findings and CBO's "dynamic" findings of "trillions and trillions of dollars", to quote [Nowrasteh](#) at 54:40.

Part One: Economic Impact Ignored

(Technical note: The [study](#) was authored by Robert Rector and Jason Richwine, but I will mostly mention only Rector throughout this review (1) to save space, (2) because Richwine was later discredited for writing that Hispanics have [lower IQ's](#) over which he lost his position at Heritage, [he still [stands by](#) that conclusion, calling it plain science. I wonder if his grasp of science is like his grasp of economics in this study?] and (3) because Congressman King, in talking to me, limited his admiration to Rector.)

Central duty of claimed methodology omitted

1-A Throughout Rector's [study](#) he links his *credibility to how well he follows the methodology of "The [New Americans](#)", a 1997 book. But the book's central methodological feature is that it is "dynamic". Rector's [study](#) is unabashedly "static".*

Would you report to the IRS the cost of your gas to drive to a charity raffle, but not the \$10,000 prize you took home?

That is how distorted it is to tell voters the taxes paid v. government services received by immigrants, but not their benefits to voters such as economic and technological growth, creating jobs and raising wages for everybody over time.

Comparing only taxes directly paid to services received, as Rector and Richwine did, is called a "static" study. Counting ways immigration benefits citizens economically, which by the way indirectly generates *more* tax revenue than immigrants pay directly, is called a "dynamic" study.

Rector writes several times that he follows the "[New Americans](#)" methodology. He particularly says he follows the book's methodology in chapter 6. Well, chapter 6 spends a lot of time discussing a couple of "static" studies, all the while making clear the *limitations* of static studies, and that an honest picture requires a dynamic study, which is the subject of chapter 7.

The ["static"] analysis here [in Chapter 6] of the annual fiscal impact of today's immigrant households provides a starting point for understanding the future fiscal consequences of immigration. Predictions as to the long-term fiscal consequences of

current or new immigration policies, however, must be based on a truly dynamic analysis of the fiscal incidence of immigration. Such a study must project the demographic and economic futures of current residents and new immigrants and the future paths of government spending, taxes, and debt policies. Only then will we have an honest representation of the long-run consequences of national immigration policies. Such estimates are provided in [Chapter 7](#). *The New Americans*, p. 294

Rector doesn't mention chapter 7. He doesn't acknowledge the limitations of static studies. And he has a lot less detail than even the *New Americans*' static studies.

Why did Rector seek validation in claiming he followed the *New Americans* methodology? He saw no need of such a claim in his 2007 study. There is an interesting possible reason.

When Cato Institute economist Alex Nowrasteh learned that Rector was about to update his 2007 study, he wrote an [article](#) pleading with Rector to avoid repeating several mistakes he had made in 2007. He explained 11 mistakes. One was about methodology:

Heritage's methodology should replicate that of the National Research Council's authoritative and highly praised – even by immigration restrictionists [a footnote was to Camarota's [2004](#) report] – study entitled *The New Americans*. That study is the benchmark against which all efforts at generational fiscal accounting – including Heritage's 2007 report – are measured. - [Nowrasteh](#), April 4, 2013

This must have impressed Rector as something he knew he had to at least duck. Because although he explicitly rejected the “dynamic” analysis which was the heart of *The New Americans*' methodology, [see his quotes in section 1-F] see how often he claims, throughout his study, that he follows that methodology:

To assess the fiscal impact of unlawful immigrants, therefore, the present report

follows the procedures used by the National Research Council in *The New Americans*: [p. 7]...This report therefore follows the same methods employed by the National Research Council in *The New Americans* and excludes public goods from the count of benefits received by unlawful immigrant households [p. 9]...The accounting framework used in the present analysis is the same framework employed by the National Research Council of the National Academy of Sciences in *The New Americans* [p. 10]The *New Americans*, made a similar adjustment for such underreporting [p. 47]...This is consistent with methods employed by the National Research Council in *The New Americans* [p. 51].... Chapter 6 of *The New Americans* provides a single-year analysis of the fiscal costs of immigration that employs much of the same methodology used in the present Heritage Foundation analysis. [p. 87] – [Fiscal Cost](#)... Rector and Richwine

You can read a little of chapter 6 for yourself online. It begins with three reasons why an accurate picture requires the “dynamic” analysis which Rector refuses to do. “Fiscal impacts” refers to a “static” comparison of taxes paid to services received during a thin slice of time, which has its place so long as it is “extended” via a “dynamic” study of one's impact over one's lifetime:

This chapter outlines how the fiscal impacts of immigrants on U.S. citizens in a single fiscal year should be measured and provides estimates of that annual impact for residents of California, New Jersey, and the nation as a whole. Chapter 7 extends this analysis to provide estimates of the long-run or **dynamic** fiscal effects of new immigrant families. - *New Americans*, p. [254-255](#)

Estimates of the **annual** [“static”] and **dynamic** fiscal consequences of immigration **are important** for three reasons. First, from the perspective of those wishing to redesign immigration

policy, estimates of the annual and lifetime fiscal impacts of new immigrants can be combined with estimates of their effects on the current and future earnings of domestic workers (discussed in Chapter 5) **to determine whether they will be net economic contributors to society....**

Third, although estimates of the annual ["static"] fiscal impacts are important for understanding the economic consequences of immigration for the current year, estimates of how an immigrant family consumes public services and pays taxes over time are also important in order to know the full consequences of admitting additional immigrants into the United States. Almost no family stays just one-year. On one hand, new immigrants, even those receiving a net fiscal transfer from residents [that is, their shortfall is made up by citizens] in the annual accounting (those with children in school, for example), **may ultimately be net contributors to the public-sector over their lifetimes, as they pass into years of productive labor force participation.** In the **dynamic** fiscal accounting, **native residents will then be net fiscal beneficiaries.** On the other hand, new immigrants who help solve our "annual" funding problem for Social Security and Medicare by increasing the population of payroll taxpayers (young adults, for example), are likely to become recipients of those programs later in life. In that case, an annual fiscal gain for native residents may eventually become a long-run fiscal burden. Furthermore, the long-run burdens or contributions of new immigrants can be reallocated among native residents through the choice of tax and debt policies. Today's burdens can be shifted onto future native residents (and immigrants) through increased government borrowing. **Only a dynamic fiscal accounting can reveal these redistributions of fiscal burdens or benefits across generations and the true long-run consequences on native**

residents of new immigration.

Finally, **only dynamic fiscal accounting** allows us to calculate the effects of new immigrants on the long-run economic sustainability of current fiscal policies.

(See Appendix 1 for more quotes from *The New Americans* emphasizing the impossibility of getting an honest picture of immigration impact from a purely "static" study.)

Almost as critical a way Rector's methodology was the opposite of *The New Americans* was the way Rector switched between counting per households and counting per individuals.

A review of dozens of economics studies by Alex Nowrasteh explains how the taxes paid directly by immigrants is only part of their blessing to tax collectors:

...counting only the taxes directly paid by immigrants likely understates the taxes immigrants "pay." Immigrants are generally, but not always, complementary to American workers and other factors of production, thus increasing incomes for many American workers and the American owners of capital and land. For instance, a low skilled immigrant might not pay income tax, but his or her employer will likely make a higher profit and pay additional taxes as a result of hiring the worker. If those effects are not included, then the benefits will be underestimated. - p. 8, [*Fiscal Impact of Immigration*](#)

Counting "per household" selectively

1-B *Government benefits received over taxes paid is overstated for immigrants by: *counting per household, except when counting per individual puts the costs higher; *charging a household classified as "unlawful immigrant" with the welfare and public education costs of citizen children in the household – even when both their parents were citizens but mom*

*remarried; *not counting the million or so “unlawful immigrants” who are single – not in a household – and are thus “net tax contributors” because they don’t have children in school; *by not counting a spouse in that household who is a citizen, who usually makes more and pays more taxes; *by understating dad’s tax payments by leaving him in a lower tax bracket since mom’s income is not counted; *by switching from counting households to counting individuals when dad retires, if he becomes eligible for Social Security, so that his SS benefits can be counted, but not the taxes paid by his well educated citizen children who have become working adults. “The [New Americans](#)”, whose approach Rector says he follows, warns against these biases.*

Chapter 6 of [New Americans](#), right after giving several reasons why a study of the costs/benefits of immigration should overall be dynamic although parts of it may be static, says dynamic analysis should begin by counting individuals, not households:

First, what is the appropriate demographic unit of analysis? The choice will depend on whether the study seeks to provide static or dynamic estimates of fiscal burdens. Since the household is the primary unit through which public services are consumed and taxes paid, it is the most appropriate unit as a general rule and is recommended for static analysis. Dynamic fiscal accounting using households becomes exceedingly difficult, however, as (often arbitrary) forecasts of family dissolution and formation become necessary. Dynamic studies are best completed by estimating fiscal impacts for individuals. If household estimates are required, hypothetical households can then be constructed directly from the individual fiscal profiles. - “The [New Americans](#)”, P. [255](#), [256](#)

Rector says he follows the “accounting framework” of Chapter 6 of *The New Americans* (which says one should begin by *counting individuals, not households*) by primarily

counting households, not individuals. He never mentions the dynamic context into which *The New Americans* puts its Chapter 6 static studies, found in Chapter 7. Rector’s entire study never mentions Chapter 7. He says:

The accounting framework used in the present analysis is the same framework employed by the National Research Council of the National Academy of Sciences in *The New Americans*.[\[23\]](#) [Footnote says: Chapter 6 of *The New Americans* provides a single-year analysis of the fiscal costs of immigration that employs much of the same methodology used in the present Heritage Foundation analysis.] Following that framework, the present study: – [Fiscal Cost](#)... Rector and Richwine, page 10, 39

So what’s the big deal? What risk of bias is there just from carelessly shifting between counting per household and per individual?

Households contain a mix of “unlawful immigrants”, “lawful immigrants”, and “nonimmigrants”. Yet households are classified, in these studies, as “unlawful immigrant households”, “lawful immigrant households”, or “nonimmigrant households.” Counting government services to citizens as the costs of “unlawful immigrants” paints an unrealistically dark picture of the economic impact of immigration. *New Americans* explains:

... a previous immigrant couple with four U.S.-born children may, in the year in which fiscal effects are measured, have only two of those children living at home. The other two older children may now be in the workforce. The two older children will be counted in the census definition as native (not foreign-born) residents. In estimating the fiscal costs of previous immigration policies, **it would be an error to count taxes and spending for the two immigrant parents and the two children at home and not count the taxes and spending of the two older children now in the workforce.** It is most likely that

these older children are contributing more in taxes than they are withdrawing in spending (particularly if their own children are not yet born). These positive contributions should be balanced against the net fiscal impacts of the parents and the two children still at home. **Only a dynamic fiscal analysis can correctly** account for these life-cycle changes; see [Chapter 7](#). - *New Americans*, p. 263

The following quote from Rector continues from the quote above. It openly admits that Rector counts welfare and public education costs for *citizen* children as costs of *immigrants* to taxpayers, which is precisely what *The New Americans* calls “an error”:

Following that framework [of *The New Americans*], the present study:

3. *Includes the welfare and educational costs of immigrant and non-immigrant minor children and assigns those costs to the child's household;*

4. *Assigns the welfare and educational costs of minor U.S.-born children of immigrant parents in the immigrant household; ...* – [Fiscal Cost](#)... Rector and Richwine, page 10, 39

While Rector bills *immigrant* “households” for the education costs of *citizen* children living in them, he does *not* count the taxes paid by a *citizen spouse!* (According to the following quote.) Not only does this leave out the majority of household tax payments since citizen spouses are likely to be better educated and to earn more than immigrants, but subtracting the citizen income from the “household” income artificially lowers the tax bracket for the immigrant, thus undercounting what he actually pays – since the *IRS* certainly doesn’t subtract the citizen’s income! Rector is open about it:

Some of the estimating procedures described above were modified for unlawful immigrant households. First, **all adult U.S. citizens and adult lawful**

immigrants who resided within unlawful immigrant households were removed from the analysis of those households; benefits and taxes were reduced accordingly. **The earnings and property income of these excluded individuals was deducted from household income,** resulting in an automatic matching reduction in all income and property-related taxes. The total income of the excluded individuals was deducted from household total income. This change reduced the estimated consumer expenditures in the household and thereby reduced all relevant sales and consumption taxes as well as government benefit estimates linked to consumption. Direct, means-tested benefits and Obamacare benefits received by these individuals were excluded from the analysis. Public housing and food stamp subsidies were reduced pro rata in affected households. The excluded individuals were removed from the count of persons in unlawful immigrant households, thereby modifying any calculation based on shares of population – [Fiscal Cost](#)... Rector and Richwine, page 53

If I have guessed correctly how Rector defines “head of household”, then if dad is an “unlawful immigrant” but mom is a citizen college graduate, mom’s tax payments are not counted. But if dad is the citizen grad and mom the immigrant, mom’s payments are counted. That selective counting alone could account for the tax payment difference in Rector’s charts between the incomes of “nonimmigrant” [citizen] households and unlawful immigrant households.

We can only guess, because Rector doesn’t tell us *how many* citizen spouses he removed from his “unlawful immigrant household” column.

By the time he gets done with all those adjustments, he just about has an analysis based on individuals rather than households. But he says he wants to count households, not individuals, *to make his job simpler*:

By using the household as the unit of

analysis, Heritage follows the procedure employed by the National Research Council. [That is, in Chapter 6; not in Chapter 7, which Rector never mentions.] Since many variables are not available at the individual level, analysis at the household level is methodologically simpler. – [Fiscal Cost](#)... Rector and Richwine, page 40 [The National Research Council is the organization that published the study titled “The New Americans”.]

How is it simpler to count per household but switch to counting per individual in a dozen circumstances, than to just count per individual?

We see how Rector’s scheme of “using the household as the unit of analysis”, modified by the exclusion of individuals who make the figures come out the wrong way, enables Rector to bill immigrants for the education of citizen children, without having to credit immigrants for the taxes paid by citizen spouses. There is also a group of *immigrant* individuals Rector excludes, whose inclusion would make the figures come out the wrong way, and it is a huge group: 20% of the most generous immigrant IRS donors: single immigrants, who are working and paying taxes, and who do not have children in public schools!

Yet Rector says he is doing immigrants a favor by not counting them, because their *exclusion* is “likely to lead to an underestimate of total costs.” This would make the 20% the most *costly* immigrants to taxpayers.

I don’t understand how this is possible. Then again, I have to guess what demographic he means to describe by this 20%, because he does not define it. Like a new word, one must guess the identity of this group from its context. But from his context I can’t figure out what else he could mean than what I have guessed.

“Exclusion of 20 Percent of Unlawful Immigrants During the Interim and Full Implementation Phases of the Analysis. This analysis estimates costs for persons living in households headed by unlawful immigrants during the interim and full amnesty phases. However, about 20

percent of unlawful immigrants do not reside in those households. Any fiscal costs associated with that 20 percent are therefore omitted from the analysis; **this is likely to lead to an underestimate of total costs.** – [Fiscal Cost](#)... Rector and Richwine, page 32

Let me think, now: are there any other costly individuals Rector could add to his bill for immigrants that I haven’t mentioned? Oh, I know: immigrants who retire, and will qualify for expensive Social Security if we legalize them, but who are members of households classified as headed by citizens. We could pull their expenses to taxpayers out of those citizen homes and throw them in with “unlawful immigrant” costs.

That is exactly what Rector does, according to this next quote, which continues from the previous quote:

(In the retirement phase, however, all unlawful immigrants who were adults in 2010 are included in the analysis, not just those residing in unlawful immigrant households.) – [Fiscal Cost](#)... Rector and Richwine, page 32

(See section 1-D for more about this.)

I am still trying to nail down who Rector means by his uncounted 20%. He can’t be talking about school-age children, because on pages 10 & 39 he said he counted them all. But he says “any fiscal costs associated with that 20 percent are therefore omitted from the analysis”, which “is likely to lead to an underestimate of total costs”, which indicates this 20%, whoever they are, are the most costly to taxpayers compared with how much taxes they pay. Who would be children, wouldn’t they?

Is he talking about single, unmarried immigrants with no children, and he is saying they were not considered at all in his study? But if that is who he means, then their net contribution was not considered in his study either; and in most cases, I would think, they are net contributors, since they have no children who are going to public schools, which is most of the expense he bills to families with immigrant “heads of

household”. Thus, leaving out these net contributors falsely inflates Rector’s alleged costs of immigrants by as much as 20%, though he says the opposite – that it “leads to an underestimate of total costs”.

“Head of Household” Undefined. The common [definition](#) of “households” is “the people [plural] in a family or other group that are living together in one house”. Singles are not counted in the number of “households”. But [Wikipedia](#) defines “household” as “one or more persons”. By this definition, Rector could be counting singles – unmarried, without children – in his charts about “households”.

But this doesn’t appear to be the definition he goes by. Because his charts list “heads of household” in each of his charts about “households”. “Head” implies the existence of people under the “head”. The image of a single person living alone called a “head of household” is one a lawyer might draw. It is like me calling myself the “President” of a nonprofit that has no members, no employees, and no other officers.

In the next quote he calls these 20% “individuals” and says they “reside mainly in homes headed by lawful immigrants”. Unmarried singles without children fit this description. While many do live alone, many others live as roommates. Rector says these 20% live “mainly” with others, acknowledging that some do not, yet he does not count those living alone either; which he would do, if he defined a single, living alone, as a “household”.

Undocumented wives of “lawful immigrants” also meet this description, but their “taxes paid to benefits received” ratio would not much affect “the fiscal cost figures presented in this paper”.

I find no breakdown in all of Rector’s reckoning. I find no definition of “household”, or of “head of household”.

However, one problem with this choice [to count households] is that 2.08 million unlawful immigrants do not reside in households headed by unlawful immigrants. These individuals, who reside mainly in homes headed by lawful immigrants, are therefore not included in the present fiscal analysis for the interim

and full amnesty periods. While this exclusion almost certainly reduces the fiscal cost figures presented in this paper, including these individuals is beyond the scope of the current analysis. (On the other hand, the fiscal analysis of retirement years includes all current adult unlawful immigrants.) – [Fiscal Cost](#)... Rector and Richwine, page 40

I’m not even sure what Rector means by “head of household”. When I was a child it meant the father of a family. Nice and simple. With “women’s liberation” the title came under heavy challenge. Online dictionaries today say it is whichever parent provides the most financial support. But as jobs change – in fact, as technology eliminates old jobs and creates new ones, shortening the time people can stay at the same job – the tabulation of which parent earns the most is a teeter totter. (I haven’t seen one of those for decades, either.) The IRS has [redefined](#) the term as *excluding* anyone who is married; it is a category *only for single people with a dependent!*

Rector doesn’t say which definition he uses. My guess is that he means the half-century old definition. Because it is the only unit of analysis that seems at all manageable; and yet it is so arbitrary, and so little used or even understood by this generation. I just can’t think of any justification for counting the costs of households rather than individuals. It makes no sense.

The New Americans distinguishes between native and immigrant households, but at least in chapter 6, households are treated as monolithic – either a household has all citizens, or it has all immigrants. There is nothing about an “unlawful immigrant” who is “head of household” containing citizens. Of course this doesn’t reflect reality, but the book acknowledged this problem. At least the book didn’t make the problem worse by slicing groups of individuals from households in order to make the figures come out right.

The U.S. Census hasn’t used the term since 1980. It uses the word “householder”, which can mean the person on the house title, if there is only one; if it is held by husband and wife, the census taker designates one as the “householder” by

flipping a coin. This can't be Rector's usage, because he says "all adult U.S. citizens and adult lawful immigrants who resided within unlawful immigrant households were removed from the analysis of those households". This requires some definite way to determine which one of the two spouses, one "unlawful" and the other "lawful", is the "head of household". He can't be going by which one is the citizen, since he removes citizens' incomes from his reckoning when he decides the "head of household" is the noncitizen. He can't be going by which one earns the most, since usually citizens earn the most. That leaves which one is the husband.

Here is the Census Bureau's definition:

Householder The householder refers to the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife. The person designated as the householder is the "reference person" to whom the relationship of all other household members, if any, is recorded.

The number of householders is equal to the number of households. Also, the number of family householders is equal to the number of families.

Head versus householder. Beginning with the 1980 CPS, the Bureau of the Census discontinued the use of the terms "head of household" and "head of family." Instead, the terms "householder" and "family householder" are used. Recent social changes have resulted in greater sharing of household responsibilities among the adult members and, therefore, have made the term "head" increasingly inappropriate in the analysis of household and family data. Specifically, beginning in 1980, the Census Bureau discontinued its longtime practice of always classifying the husband as the reference person (head) when he and his wife are living together.

At least Rector next concedes that there is an alternative way of figuring:

Clearly, any study that does not follow this framework may reach very different conclusions. For example, **any study that excludes the welfare benefits and educational services received by the minor U.S.-born children of unlawful immigrant parents from the costs assigned to unlawful immigrant households will reach very different conclusions** about the fiscal consequences of unlawful immigration. – [Fiscal Cost...](#) Rector and Richwine, page 10

Holy understatement!

This frank admission is a preview of our next section explaining how citizen costs are charged to immigrants by switching selectively between counting "per household" and "per individual".

Counting citizens as illegals

1-C *The fault Rector finds with immigrant children is not as much that they are immigrants, as that they are children, with the same costs as citizen children. Indeed, the costs of citizen children disturb him so much, that even when both their parents are citizens he often puts their costs on his tab for "unlawful immigrants". His logic challenges America's very existence.*

Rector and his fellow restrictionists count home-born citizen children as a cost to America, if their parents were here unlawfully. That's what the previous quote from his study says. And if Rector didn't, his conclusions would look more like those of economists. That's what the quote says.

Another quote confirming Rector counts citizen children's costs as costs of immigrants:

At \$9,040, [Table 6, lawful immigrants' means-tested benefits, all households] **lawful immigrants' annual welfare benefits** are a third higher than non-immigrants' benefits. This seems paradoxical because lawful immigrants are barred from receiving nearly all means-

tested welfare during their first five years in the U.S. As Table 6 shows, this temporary ban has virtually no impact on the overall use of welfare because (a) **the ban does not apply to children born inside the U.S....** – [Fiscal Cost...](#) Rector and Richwine, page 15

He acknowledges again that he is counting assistance to *citizens* as “lawful *immigrants*’ annual welfare benefits”.

Rector’s methodology doesn’t just put, into his “unlawful immigrants” column, the education costs of citizen children of *unlawful* parents. It also puts in that column the education costs of children who had at least one citizen parent, and even of those who had two citizen parents if the custodial parent has remarried an “unlawful immigrant”.

Not that he acknowledges this consequence of his methodology. He talks as if *all* the children in households whose “head” is “unlawful”, were born to two “unlawful” parents.

The next quote likewise vents his resentment of natural-born U.S. citizens whom our laws not only make citizens, but whom our Constitution makes eligible to our President.

The presence of these 4 million **native-born children** with unlawful immigrant parents is a direct result of unlawful immigration. **These children would not reside in the U.S. if their parents had not chosen to enter** and remain in the nation unlawfully. Obviously, any analysis of the fiscal cost of unlawful immigration must therefore include the costs associated with these children, because **those costs are a direct and inevitable result of the unlawful immigration of the parents.** The costs would not exist in the absence of unlawful immigration. – [Fiscal Cost...](#) Rector and Richwine, page 3

Did you notice *how many* “native born children’s” costs he adds to his tab for “unlawful immigrants”? *4 million!* Rather significant, as a proportion of the “unlawful” population! Keith [Hennessey](#) thinks the number is 4.5 million.

“The costs would not exist in the absence of

unlawful immigration”, Rector complains! He wishes he could *deport all natural-born citizens* who owe their existence to law-bending forbears!

Would *Rector* exist, “in the absence of unlawful immigration”? Has he no relatives, upon whose existence his own existence depends, whose coming was tainted by slips of protocol?

How about *America’s* existence? Did its existence come about in compliance with the laws of existing governments?

Should Rector happen upon a magic lamp that grants him his three wishes, how many generations will he go back in search of our ancestors who came without full compliance with all our immigration laws [not to mention the laws of the first Americans] – as if any human can know what they all are? Who will be safe?

“BIRTHRIGHT CITIZENSHIP” DOCTRINE

Rector does not mention the Restrictionist doctrine that “birthright citizenship”, which automatically makes anyone born here a citizen, is destroying America and would not be allowed by our courts if they interpreted the 14th Amendment correctly. But I don’t know what else could explain why, without embarrassment, he puts citizen children’s expenses on his tab for “unlawful immigrants”.

Never mind that “birthright citizenship” is honored in the plain text of the 14th Amendment as most people read it, in the U.S. Code, by centuries of English Common Law before that, and by [God](#) before that. (ie. Exodus 12:49)

Amendment XIV Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside.

The theory that the 14th Amendment does *not* make babies born here citizens, if their parents are not here lawfully, faces the conceptual obstacle that when it was ratified in 1868, there was no such thing as being here unlawfully. The first such law was not for another 14 years.

The theory is based, according to my [analysis](#), on ambiguous punctuation in a couple of sentences quoted of Senator Howard, the floor manager of the Amendment. Punctuation is, of

course, not spelled out in an oral statement, and must be guessed at by the transcriber. The imperfect guesses of the transcriber are, I savvy, the whole basis of the Restrictionist theory. The whole problem would never have happened had Senator Howard used Victor [Borge's](#) "Phonetic Punctuation" system.

An immigration subcommittee debated the issue at majestic length in 1997. [Here](#) is the transcript, with my observations interleaved.

Like Camarota in [2004](#), Rector has just justified counting citizens as "illegals" to add up to his conclusion about the cost of immigration! See how high this, along with the rest of his selective switching between counting "per household" and "per individual", enables Rector to raise the stakes:

If amnesty is enacted, the average adult unlawful immigrant would receive \$592,000 more in government benefits over the course of his remaining lifetime than he would pay in taxes. – [Fiscal Cost...](#)
Rector and Richwine, page vii

What makes citizens born to undocumented immigrants any more "expensive" than citizens born to citizens? Nothing Rector identifies.

POPULATION CONTROL. So what is Rector's real concern with immigrant children, if they are no more expensive than citizen children?

Inability to identify any value difference that can withstand honest analysis, between the group you target for elimination and everyone else, fits the profile of the same population-control [peoplephobia](#) that justifies abortion. It, too, is arbitrary in its targeting of who to eliminate. Is this the real threat in Rector's mind? It is a pro-death mentality suspiciously prevalent in immigration restrictionist circles. Its champions [founded](#) restrictionist organizations and continue to [bankroll](#) them. Here's a sample of their shared rhetoric common to the period from 1920 to 1940:

[Government should] keep the doors of Immigration closed to the entrance of certain aliens whose condition is known to be detrimental to the stamina of the race, such as feeble-minded, idiots, morons,

insane, syphiletic, epileptic, criminal, professional prostitutes, and others in this class... (Margaret Sanger, *My Way to Peace*, Margaret [Sanger](#) Papers Project, New York University, Jan. 17, 1932 [LCM 130:198].)

If this is Rector's unarticulated problem with immigrants, my response is that the notion that population growth is any kind of threat to any nation or to the world could never stand up in any American [court](#), and certainly not in God's [Court](#). It is linked with [judgment](#) on America in the past.

Counting costs of youth, old age, not gains of work years

1-D *Immigrants' costs to taxpayers are dramatically overstated by subtracting their kid's schooling costs from their tax payments during their working years, and by NOT adding their kids' tax payments when they retire and their kids are grown.*

(This bias was previewed on page 7)

Charts 7 & 8 add citizen kids' public education tab to an undocumented dad's bill, but do not count the taxes paid later by the educated kids when they are grown.

Then when an immigrant retires, if he is eligible for Social Security, *that* is counted, but the taxes paid by his now adult, educated children are *not* credited!

Rector does this by counting "per household" when the kids are costly, but switching to counting retirees "per individual" when their children become adults and become, to use Rector's terminology, "net tax contributors". He calls this switch "more accurate".

The figures for lawful immigrants over age 65 are shown in Table 9. (**Once individuals move into retirement years, it is more accurate to analyze persons rather than households.** Thus, in contrast to the previous tables in this paper, Table 9 presents benefits and taxes per immigrant rather than per household.) – [Fiscal Cost...](#)
Rector and Richwine, page 28

Counting the same people who were in the household 30 years before, including the now grown children, would require crediting the “household” with the earnings and tax payments of the now grown children. So in order to inflate the “net consumer” status of immigrant households as much as possible, we must count the children when they are costly, and stop counting them when they become contributors.

To say it another way, retirees draw at least as much out of the treasury as school children. So both are important: to cancel out a worker’s tax contributions with his children’s *bills*, and to *not* cancel out the same man’s retirement bills with his adult children’s *tax contributions!*

Retiring at age 67, amnesty recipients could be expected to receive benefits for 18 to 19 years on average.^[43] This would produce a long-term fiscal deficit cost of \$420,000 per person during retirement. – [Fiscal Cost...](#) Rector and Richwine, page 28

This is the kind of math it takes to “prove” incredible immigrant costs to taxpayers such as:

If amnesty is enacted, the average adult unlawful immigrant would receive \$592,000 more in government benefits over the course of his remaining lifetime than he would pay in taxes. – [Fiscal Cost...](#) Rector and Richwine, page vii

A lesser way Rector inflates his tab for enacting “amnesty” is to calculate how much Social Security “amnesty” recipients would receive, not based on their limited years of “qualified earnings”, but based on what their FICA payments would have been over many more years, had they never been undocumented:

One way to estimate the future retirement costs of unlawful immigrants under amnesty is to examine the average benefits currently received by lawful immigrants over age 65 whose education levels match those of unlawful immigrants. The figures for lawful immigrants over age 65 are

shown in Table 9. – [Fiscal Cost...](#) Rector and Richwine, page 28

Rector’s application of this inflated benefit figure is to explain how costly it will be to legalize currently “unlawful” immigrants. He does not consider that benefit levels are pegged to the highest income 35 years of “qualified earnings”, and when a man is legalized at, say, age 45, whose prior paychecks have directed his FICA payments to the account of a phony name, he has only about 20 years of qualified earnings as the basis for benefits. (See Section 3-B for examples.)

After the kids are grown and become “net tax contributors”, Rector repeats his cycle of canceling the contribution of their “working years” tax payments by subtracting, from it, the education costs of *their* children, until *they* retire as their children become “net tax contributors”. That is not what he says directly, but only by applying the same selective math to the second generation that he did to the first generation can he conclude this:

It is often argued that the fiscal burdens produced by unlawful immigrants are irrelevant because their children will become vigorous net tax contributors, producing fiscal surpluses that will more than pay for any costs their parents have generated. This is not true. As this paper has shown, the degree to which the children of unlawful immigrants become net fiscal contributors (rather than tax consumers) will depend largely on their educational attainment. Moreover, even if all of the children of unlawful immigrants became college graduates, they would be very hard-pressed to pay back \$6.3 trillion in net costs even over the course of their entire lives. – [Fiscal Cost...](#) Rector and Richwine, page 31

Rector assumes undocumented kids won’t go to college enough to suit him. Of course there is a good reason undocumented kids don’t go to college enough to suit them, either: Rector and friends have made them ineligible for federal student loans. Rector does not consider, as he

imagines the cost to taxpayers of “amnesty”, that when children are finally allowed access to student loans, more will go to college.

Nowrasteh [summarizes](#) what is unfair about counting per mixed household instead of per individual:

Heritage counts household use of government benefits, not individual immigrant use. Many unauthorized immigrants are married to U.S. citizens and have U.S. citizen children who live in the same households. Counting the fiscal costs of those native-born U.S. citizens massively overstates the fiscal costs of immigration....Counting the net immigrant fiscal impact means counting immigrants and perhaps their children at most,[\[23\]](#) not native-born spouses who would be on the entitlement rolls regardless of whether they married an immigrant or a native-born American.

In a review of scores of studies by economists about immigration, Nowrasteh said:

Counting the net fiscal contribution of households headed by immigrants biases the cost estimates upwards, because it counts the costs of children enrolled in public schools until they leave home and start working, ignoring their future tax revenue (Lee and Miller 1998: 184). Another reason why dynamic longitudinal studies are best completed by estimating the fiscal impacts of individuals is because the size of households changes over time, producing a variable that changes and makes it difficult to analyze (National Research Council 1997: 256, 305). Net fiscal cost calculations of households are highly misleading (Lee and Miller 2000: 350-351). - *The [Fiscal Impact of Immigration](#)*, by Alex Nowrasteh, p. 6-7.

Citizens valued by taxes owed

1-E *The value to America of citizens – not just immigrants – is evaluated solely by whether they*

pay at least as much in taxes as they receive in government benefits. If they pay more, Rector welcomes them as “net tax contributors”. If they pay less, he denigrates them as “net tax consumers”. Understanding why this is a crazy way to evaluate citizens helps clarify why it is a crazy way to evaluate immigrants.

At least Rector doesn't *talk* about deporting *citizens* who are “net tax consumers”. But his logic that America would be stronger without them is a strong argument for deporting them.

He figures that in order to earn enough to pay enough taxes to exceed the benefits one receives, one must have a college degree. The study exudes a palpable implicit resentment of citizens who do not get college degrees.

I wonder if it is possible for a citizen reader of the study who does not have a college degree to share its contempt for others without one and yet successfully confine his contempt to immigrants?

Well-educated households tend to be *net tax contributors*: The taxes they pay exceed the direct and means-tested benefits, education, and population-based services they receive....Other households are *net tax consumers*: The benefits they receive exceed the taxes they pay. These households generate a “fiscal deficit” that must be financed by taxes from other households or by government borrowing. For example, in 2010, in the whole U.S. population, households with college-educated heads, on average, received \$24,839 in government benefits while paying \$54,089 in taxes....Poorly educated households, **whether immigrant or U.S.-born**, receive far more in government benefits than they pay in taxes. – [Fiscal Cost](#)... Rector and Richwine, page v

This is an argument for removing 70% of the population of citizens in order to make the economy stronger, as Cato Institute economist Alex Nowrasteh pointed out when he [debated](#) Rector on CNN (listen at 43:00) June 23, 2013 about Rector's study.

Nowrasteh hoped it would be obvious to everybody that this is absurd. But for us average

folk who don't think all day about economics, it is hard to lay our fingers on *why* our economy and nation would be a shambles without the 70% of the population Rector accuses of being leeches. Understanding why that is an absurd measure of the contribution of citizens will help clarify why it is also an absurd measure of the contribution of immigrants.

Nowrasteh was only able, during the debate, to slip one illustration past the pressures of time and Rector's opposition: comparing only taxes paid with benefits received does not count the uneducated immigrant nanny whose service allows the citizen mom to get a Ph.D. and triple her income and consequent taxes paid.

Here is my own illustration:

Take Bill Gates and other billionaires for example. He makes billions, and pays billions, or at least millions, in taxes. (Or at least he is *supposed* to. Rector's study counts the taxes rich people *owe*, not necessarily what they *pay*.) Suppose America kept only its [400](#) or so billionaires and deported everybody else! What a global economic force that would make of America! You say, maybe not? Maybe there are other dimensions of our economy than just how much more taxes one pays than one receives in benefits? What more could there be?

How about national defense? 400 billionaires wouldn't be billionaires for long if they were alone against all the criminals and thug governments in the world who wanted their money. Rector's alleged 30% who are "net tax contributors" wouldn't have much hope against criminal threats, either. America's economy has to be not only earned, but defended. But many veterans receive considerable benefits not mentioned by Rector; especially "wounded warriors", and if our laws left them on their own it would be a lot harder to recruit more quality troops.

How does Rector's "taxes paid compared with benefits received" economic universe account for soldiers and police? [25%](#) of soldiers qualify for food stamps. Would, therefore, America be better off without them? Are people who give their lives for America of less benefit to America than people who pay lots of taxes?

I finally get it. The only way to turn soldiers

and police into a bargain for America, is to double their salaries so they can triple their tax payments. Pretty smart math, huh?

When a bureaucrat receives a \$150,000 salary to provide a service no recipient wants and against which many recipients protest, like shuffling papers in the Department of Education, does Rector count him as a "net tax contributor" if he pays more taxes than the \$24,839 [the figure in the preceding quote] he receives in "benefits"? Yes, Rector would.

I wouldn't. I would count the \$150,000 as a government "benefit", and add it to the \$24,839, while I would count the political activist who works to eliminate the Department of Education as a "net economic contributor" even if he receives food stamps.

Indeed, Rector's economic tunnel vision would count "white collar criminals" who wreck the economy as "net tax contributors" and their victims as "net tax consumers". Rector's logic would elevate such criminals and deport their victims.

But those examples are only *indirect* ways our economy requires, for its survival, Rector's alleged "net tax consumers". Let's look at the fallacy directly. Does Bill Gates create and maintain his wealth all by himself? Of course not. All business owners function as managers of the productivity of others. Gates puts people together whose talents complement each other. When the products they created together make money, he hires others to collect it, and to distribute it back to the creators. Their productivity is mostly not his at all; he is mostly just a steward of talents and of compensation for talents.

Of course his own contribution to success is significant, and he takes his fair share of the profits. With that share he is able to invest in future advances. His past success in serving customers and employing thousands documents his wisdom and commitment to responsibility as well as any measure can, which qualifies him as the steward of funds for future investment. But he couldn't have done it without quite an army of workers whom Rector would count as "net tax consumers".

The relevant lesson of these facts which everyone knows is that without the labor of a lot

of people, probably no one can earn a fortune. Without a lot of “net tax consumers”, few can become “net tax contributors”. Nowrasteh’s example of the immigrant nanny who enables a citizen to triple her income illustrates what drives our whole economy. Every business relies on some services provided by people who are paid little.

Rector himself could not enjoy his robust salary [we should presume it is robust; we would not like to think he is himself a “net tax consumer”] without the support of thousands who have read his report directly and millions who have heard summaries in various media – many of whom he would classify as “net tax consumers”.

Also, without a lot of people to spend a fortune on, a fortune has zero value. If there aren’t enough people to manufacture the car you want to buy, or to build the pipelines so you can put gas in it, or to manufacture the electric wires, plumbing pipes, nails, and screws necessary for a crew of carpenters to build the house you can afford, or provide programming so you can watch TV all day, etc etc, what good is a fortune?

Making the IRS happy isn’t even a top priority of most voters. Our federal debt is frightening, but only to a few Americans. Although government budgets are a serious problem, they are only part of America’s economic picture, which includes wages, jobs, and prices, which directly concern just about everybody. The health of our economy as a whole is so much more important than government budgets alone, that a “static” study of IRS happiness is not even terribly relevant to voters’ concerns.

8. Finally, the DeMint/Rector op-ed [that promoted Rector’s study] purports to describe what illegal immigrants “will cost America,” when in fact they are looking only at what they will cost American **governments**. This is an important oversimplification and a surprising one from an institution as reliably conservative as Heritage, which I would never expect to make the mistake of equating the Government with the Nation. I happen to think the cultural and non-governmental

economic benefits of a robust immigration system and a resolution of the problem of a stock of 8-9 million people here illegally far outweigh the likely impact on the federal budget, but you might make a different judgment call. Either way, it’s obvious that the federal budget is only part of the calculus, and the op-ed erred in suggesting otherwise. - Keith [Hennessey](#), *Eight problems with the Heritage immigration cost estimate*

The government debt that should alarm voters most – *federal* debt – isn’t even addressed by Rector’s study, though Rector claims it is:

Dynamic Effects of Increased Fiscal Deficits. The core [“static”] analysis in this paper indicates that amnesty would increase net governmental costs by perhaps \$6.3 trillion. These added costs would have to be financed either by higher taxes or by greater government borrowing leading to a higher **national debt**. Higher taxes or a **higher national debt** in turn would reduce future economic growth, thereby lowering future tax revenues. *This dynamic feedback effect has not been included in the calculations in the paper.*
– [Fiscal Cost](#)... Rector and Richwine, p. 33

This claim, that it is *federal* debt that is most endangered by “benefits” for immigrants, is the opposite of reality. Immigrant *federal* tax payments are considerably *greater* than *federal* “benefits”, as the following quotes show; *federal* receipts are *harmed* by reducing immigration.

Rector’s own Chart 3 shows that most of the “benefits and services for unlawful immigrant households”, that he alleges, are funded by states, cities, and counties. Over half is for public schools; he doesn’t say it but [83%](#) of education funding is state and local. “Police, fire, and public safety” are another big chunk, which are virtually all state and locally funded.

Other than these observations, however, Rector’s chart does not break down state/local vs. federal expenses, and there is no breakdown of state/local vs. federal receipts. This makes it

impossible to notice, from Rector's information, that federal receipts benefit from, and need, immigration. If any governments come out short from immigration, it is state and local. While that merits our attention, that is not where danger lies. The debts of most states is [under control](#).

In addition to Rector's direct statement on page 33 that immigration threatens *federal* debt, most readers would naturally assume that is Rector's claim, because "cost to taxpayers" usually conjures up the *most alarming* consequence of that cost, and that would be our *federal* debt.

The fact that even poorly educated immigrants pay way more in *federal* taxes than they receive in *federal* benefits is proved by comparing a 2007 CBO report about immigration's impact on *state and local* governments with its 2013 report about the impact on the *federal* government. In 2007 the CBO [concluded](#):

State and local governments incur costs for providing services to unauthorized immigrants....spending for unauthorized immigrants accounted for less than 5 percent of total state and local spending for those services....The tax revenues that unauthorized immigrants generate for state and local governments do not offset the total cost of services provided to those immigrants. Most of the estimates [conducted by state governments] found that even though unauthorized immigrants pay taxes and other fees to state and local jurisdictions, the resulting revenues offset only a portion of the costs incurred by those jurisdictions for providing services related to education, health care, and law enforcement....**that impact is most likely modest.**

States like California (see Appendix 1) have generous welfare and education funding for immigrants, causing a slightly greater state expense than the taxes collected directly from those recipients (not counting the economic benefits of immigration which increase tax collections indirectly, along with personally

benefiting all citizens in the long run.) To the extent there is any cost at all, voters in such states have reason to be concerned, not with federal policy, but with their own state's education and welfare choices.

The 2007 CBO study was "static"; it was basically a summary of "static" studies done by states. Had it been "dynamic" it would likely have shown the net fiscal contribution of immigrants.

By contrast, the CBO [said](#) in its 2013 "dynamic" study that increasing immigration via S744 would not only cost nothing but would *reduce our federal deficit* by \$17.5 billion a year for the first 10 years and by \$70 billion a year for the next 10 years!

(p. 2) Taking into account a limited set of economic effects, the cost estimate [the other CBO study] shows that changes in direct spending and revenues under the legislation would decrease federal budget deficits by \$197 billion over the 2014–2023 period and by roughly \$700 billion over the 2024–2033 period.

(p. 3) How Would the Legislation Affect the Economy? S. 744 would boost economic output. Taking account of all economic effects (including those reflected in the cost estimate), the bill would increase real (inflation-adjusted) GDP relative to the amount CBO projects under current law by 3.3 percent in 2023 and by 5.4 percent in 2033, according to CBO's central estimates. (More quotes in Appendix B.)

An even more optimistic report was given by former CBO head Douglas Holtz-Eakin, testifying April 19, 2013, responding to Senator Grassley (R-Iowa). He said importing another 1 million taxpayers would reduce our federal deficit by \$250 billion *a year!* If I understand this correctly, the former CBO head projects a deficit reduction from immigration 10 times greater than the CBO! That's just under a quarter of what the deficit was then (\$1,086,983,000,000) and over half what it was in 2014 (\$484,602,000,000)! (White House [budget](#), p. 28) Holtz-Eakin testified:

I have done some estimates that for benchmark reforms suggest you could have as much as nearly a full percentage point faster growth over 10 years, and associated with that would be something that I think every member of this Committee would be quite pleased to see, and that is, less budgetary pressure, faster growth reduces, using CBO rules of thumb, deficits by about \$2.5 trillion over 10 years. And that is clearly a benefit that we ought to think about when we think about immigration reform **and not rely on those efforts which ignore economic growth.** (Page 7 of the [transcript](#).)

If there is even a *possibility* of that being true, why aren't we discussing importing *two* million more immigrants a year so we can finally *stop* our federal red ink?! Or *three or four* million, so we can start seriously reducing our dangerous debt?

Rector's static study grows from irrelevant to dangerous to the extent it succeeds in its explicit purpose of lobbying for "Policy Issues" that would drive away millions of "net tax consumers" – so classified by him because they have no college degree – depriving America of their contribution to our economy as a whole and especially to our federal debt.

Even if federal receipts were the only concern of voters, a "static" study is incapable of an honest answer about the benefits to them of immigration. When our GDP grows by the 2% which Rector acknowledges, as a result of immigration, that grows tax receipts by at least 2% while slightly reducing reliance on welfare. That is a greater blessing to the IRS than higher payments made directly by only the two or three percent of the population who are immigrants.

Senator Grassley (Republican from Iowa, Congressman Steve King's state) [understands](#) the difference between a "static" and a "dynamic" study, and why the latter is better. In fact, he complained about the "static" studies done by the Congressional Budget Office, blaming Democrats for that policy. His complaint on April 19, 2013, is most likely the reason the CBO in May, 2013, produced its first "[dynamic](#)" study on the impact of immigration reform on the same day it released

a traditionally "[static](#)" study.

So what is the difference between the conclusions of the CBO "dynamic" study of May 28, 2013, and Rector's "static" study of May 6, 2013?

"Trillions and trillions of dollars", in the words of [Nowrasteh](#) in his June 23, 2013 CNN debate with Rector. (Listen at 54:40.) **Rector says "The core analysis in this paper indicates that amnesty would *increase* net governmental costs by perhaps \$6.3 trillion." The CBO says \$744 billion would "*decrease* federal budget deficits by \$197 billion" over the first 10 years and "by about \$700 billion" over the next 10 years! A difference literally in the trillion\$!**

As economists would say, Rector's study was "static", not "dynamic". It ignores the contribution in general of immigrants to the U.S. economy. It does not count the general economic impact of additional young taxpayers, the paydown of our national debt, the contribution to our technology made possible by a larger population, or the fact that innovation per immigrant is greater than innovation per citizen.

Nowrasteh [said](#) of Rector's 2007 study,

His study largely ignores the wage increases experienced by immigrants and their descendants over the course of their working lives, ... and the huge gains in education amongst the second and third generation of Hispanics.

That remains true of Rector's 2013 study.

How Rector justifies not counting the economic contribution of immigration

1-F ***Rector says his study is fair anyway, even though it doesn't count the indirect contribution of immigration to tax collectors, because he doesn't count the indirect costs either; immigrants may grow the GDP 2% but they eat up most of it; the taxes paid by investors in low paying immigrant jobs are just diverted from investment in high paying citizen jobs; and 'you expansionists don't really want me doing a***

dynamic study anyway because then I could report how unlawful immigrants hurt citizen wages!’ And “...including these individuals is beyond the scope of the current analysis.” Oh, and “figures are imprecise”!

Here are some of Rector’s acknowledgments that he consciously, deliberately refuses to conduct a dynamic analysis, and justifies it:

“Figures are imprecise”

Because figures are imprecise, none of the indirect fiscal effects discussed in this section is included in the fiscal analysis in this paper. – [Fiscal Cost](#)... Rector and Richwine, page 35

This caveat, following a section listing claims that a dynamic study would actually make “unlawful immigrants” look like *more* of a burden to taxpayers, is like saying “the pastor’s fondness for children COULD indicate he is a child molester. However, I don’t know for sure so I won’t accuse him.”

The section is “Possible indirect fiscal effects”. It includes the GDP boost by 2% from immigration which Rector acknowledges, the “capital investment” that businesses attract when they can create work for new workers, and the impact of immigration on citizens’ jobs and wages. In other words, these are the stuff of dynamic analysis, which he here formally rejects as inappropriate for his study “because figures are imprecise”!

I suppose human capacity to make “figures” “precise” will always fall short of God’s capacity. But I would think if Rector would like to at least come closer to fulfilling his human capacity, he should consider an education that at least *tries* to make economics “figures” as “precise” as humans can reasonably get them. That is, he should consider a major in economics.

Failing that, I would think his curiosity about “precise figures” might drive him to read what economists have calculated, and to think about why their findings are so radically more optimistic about immigration than his.

Unfortunately, his failure to acknowledge economics research that refutes his findings,

much less to address it, indicates that he lacks this curiosity.

In exchange for not counting immigration’s economic benefits, I won’t count its economic costs either.

Dynamic Effects of Increased Fiscal Deficits. The core [“static”] analysis in this paper indicates that amnesty would increase net governmental costs by perhaps \$6.3 trillion. These added costs would have to be financed either by higher taxes or by greater government borrowing leading to a higher national debt. Higher taxes or a higher national debt in turn would reduce future economic growth, thereby lowering future tax revenues. *This dynamic feedback effect has not been included in the calculations in the paper.* – [Fiscal Cost](#)... Rector and Richwine, p. 33

In other words, Rector uses “static” analysis to arrive at a cost of immigrants that is completely bogus by any “dynamic” analysis, (if not by any honest “static” analysis) and then magnanimously offers to not count the “dynamic” effects of that bogus figure.

Immigrants may grow the GDP 2%, but they eat up most of it.

The analysis presented in this paper reflects the direct fiscal impact [“static”] of unlawful immigrants. It reports [only] the benefits received and taxes paid by those immigrants. However, there can be other indirect fiscal consequences [which a “dynamic” analysis would address] of unlawful immigration. For example, unlawful immigrants augment the U.S. labor force and thereby expand the gross domestic product (GDP) by roughly 2 percent. *Unlawful immigrants themselves capture most of the gain from this expanded production through their wages, and taxes on the immigrants’ wages and consumption are already incorporated into*

the analysis....While the fiscal consequences of unlawful immigration are strongly negative, [according to Rector's "static" study] **some argue** [Rector gives no cites to *who* so argues, perhaps because it is the consensus of economists' "dynamic" research] that unlawful immigrants create economic benefits that partially compensate for the net tax burdens they create. For example, it is frequently argued that unlawful immigration is beneficial because unlawful immigrant workers expand the gross domestic product. While it is true that unlawful immigrants enlarge GDP by roughly 2 percent, the problem with this argument is that the immigrants themselves capture most of the gain from expanded production in their own wages.

– [Fiscal Cost](#)... Rector and Richwine, p. 34

In other words, Rector acknowledges a 2% growth in GDP from immigration, but minimizes its benefit for citizens by saying "unlawful immigrants themselves capture most of the gain from this expanded production through their wages." Then he says their wages are "already incorporated into [his] analysis". If that is so, we should be able to look at his charts of the wages of "unlawful immigrants", and see if they add up to 2% of GDP.

They don't. They add up to less than 1%, leaving the remaining 1%+ for citizens. Rector's Table 2 says 3,444,055 "unlawful immigrant households" have average "earnings per household" of \$38,988. That totals \$134 billion. That is only 40% of the \$335 billion which is 2% of U.S. [GDP](#) (\$16.768 trillion). 40% of the gain is not "most of the gain". "Most of the gain" from immigration, if Rector's "static" figures are even correct, is enjoyed by citizens. By obscuring this fact Rector portrays one of immigration's blessings as a curse. Or as worse: as more of a blessing for *them* than for *us*.

George Borjas, an economist Rector quotes, disputes Rector's theory that immigrants consume most of the GDP growth, according to economist David [Roodman](#), who reports:

Borjas updates this analysis in a June 2014 book....the elasticity estimates rise: 6.7 instead of 3.5 across experience classes, 5.0 instead of 1.35 across education classes. This implies that the wage impacts of new arrivals are more evenly spread across all workers.

So where did Rector get the idea that "unlawful immigrants...capture most of the gain...through their wages", since he couldn't have gotten it from his own figures? He doesn't say. Maybe he got it from fellow restrictionist Steven Camarota's November, 2012, "[Who got jobs during the Obama administration?](#)" Camarota used seasonally unadjusted data and [counted](#) citizens as illegals to support his claim that illegals took most of those jobs.

On this shaky foundation Rector concludes: "Metaphorically, while unlawful immigrants make the American economic pie larger, they themselves consume most of the slice that their labor adds." David [Roodman](#) asserts otherwise: Roodman's review of the research of several economists showed that immigration is *not* "like a pie, with a set number of jobs, so that one person's employment gain is another's loss", but like a "church congregation, which one person can join to experience communion and fellowship without costing anyone else the same." "The economies of destination countries largely appear flexible enough to absorb new arrivals, especially given time."

Nowrasteh, [criticizing](#) Rector's static analysis, said:

Professor Raul Hinojosa-Ojeda of UCLA wrote a [paper](#) for Cato last year where he employed a dynamic model called the GMig2 to study comprehensive immigration reform's impact on the U.S. economy. He found that immigration reform would increase U.S. GDP by \$1.5 trillion in the ten years after enactment. [9% of GDP over 10 years.] Professor Hinojosa-Ojeda then ran a simulation examining the economic impact of the policy favored by Heritage: the removal or exit of all unauthorized immigrants. The

economic result would be a \$2.6 trillion *decrease* in estimated GDP growth over the next decade. [-15.5%.] That confirms the common-sense observation that removing workers, consumers, investors, and entrepreneurs from America's economy will make us poorer.

Investors only invest in businesses that cut wages; therefore investment in businesses employing unlawful immigrants was probably just diverted from citizen jobs.

...the owners of businesses that employ the unlawful immigrants also receive income from their investment in the enterprises in which the immigrants work. [But was their investment] merely a reallocation of investment [from citizens]? New investment would be unlikely to occur unless the increased labor supply had reduced wages. – [Fiscal Cost...](#) Rector and Richwine, page 34

What? I can see that “union busting” can make a business more profitable – although lower wages can also hurt productivity and quality – but dropping wages can also be an indication of a company past its prime. Computers and oil are examples of industries where *high* wages impress investors.

There is something else similar to what Rector just said that *is* true. According to a meta study by [Roodman](#), It is when immigration is *unpredictable* that wages can drop for citizens, because it takes time for investors to build the tools and factories needed to put the new migrants to work.

“The accepted rule of thumb... is that a sudden, unexpected 10% rise in labor supply reduces pay by 3% in the short term...But in the long run... the US labor pool has doubled many times since 1776, and [investment] capital has more than kept up.”

In other words, investors do not invest BECAUSE wages drop, but because there are an unexpected supply of new workers *in an industry with growth potential*, so investors see the profitability of getting those new workers supplied with tools and facilities. The wage drop is not part of the calculation of investors, but is a symptom of the unexpectedness of the new supply of workers. But notice how slight the initial wage drop is – what political pollsters would call “within the margin of error”. Even when immigration increases by 10%, the most pessimistic studies say natives' earnings drop only 2%, while other studies say natives' earnings *increase* by that much. Roodman says:

“The economies of destination countries largely appear flexible enough to absorb new arrivals, especially given time.” “Between 1990 and 2006, a roughly 100% increase in the immigrant [population] is estimated to have **raised wages slightly for natives while reducing them about 10% among less-educated earlier immigrants.**”

Of course, that is after those earlier immigrants had tripled their income by coming here.

“The group that appears most vulnerable to competitive pressure from *new* low-skill migrants is” not citizens but “*recent* low-skill migrants.” For example “a newly arrived Mexican with less than a high school education competes most directly” not with blacks but “with an earlier-arrived Mexican with less than a high school education.”

The welcome taxes on investment in employing unlawful immigrants is just diverted from citizens.

Since investors in the stock market divert their investments from one company to another sometimes by the hour, it is impossible to tell if investment in employing unlawful immigrants is just diverted from citizens, Rector says. So we

shall just ignore it.

New net investment would result in new income, and this added income would be taxed by government in a variety of ways. Even though the unlawful immigrants would not pay these taxes themselves, their employment would have triggered the extra tax revenue. In the extreme case, one might assume that all of the investment associated with unlawful immigrant labor represents a net increase in capital stock. Since unlawful immigrants earn about 2 percent of all wages in the U.S. economy, this might coincide with a 2 percent increase in business profits and capital income. If this were the case, the result would be a roughly \$8.5 billion increase in federal, state, and local revenue from a variety of different taxes; this indirect tax gain would amount to roughly \$2,500 per unlawful immigrant household.[55] The future lifetime tax gain due to unlawful immigrants from this source could be around \$280 billion. Again, the difficulty with this calculation lies in the assumption that all of the capital invested in the employment of unlawful immigrants represents a net increase rather than a reallocation of capital stock. – [Fiscal Cost...](#) Rector and Richwine, page 34

Investors routinely transfer funds more often than daily, making a measure of diversion from companies hiring citizens to companies hiring immigrants or “unlawful immigrants”, not only impossible, but meaningless, I would guess. Especially since most companies that employ “unlawful immigrants” are too small to be listed on stock exchanges, and only some businesses on the stock exchange have investments a high enough portion of their assets for their original owners to lose control.

But I have never tried to understand stock markets. I would have thought a more direct measure of taxes generated by immigrant-hiring business would be simply the taxes paid by such businesses; I would think any effort to track the constantly shifting flow of stocks purchases and

sales would be as irrelevant as tracking the molecules in a glass of water to see how many which began at the bottom are now at the top. The water level matters for most purposes, but not the shifting of molecule positions.

I would also think the consensus of economists that citizens neither lose jobs nor wages as a result of immigration should be enough to dispose of the excuse that investment in immigrant employment might only be diverted from investment in citizens. This improvement for citizens is admitted by George Borjas, whose conclusion about the impact of immigration on high school dropouts is [called](#) “the most pessimistic estimation in the scholarly literature”, and his other studies rank among the most pessimistic in Roodman’s [survey](#) of immigration research by economists. Borjas “[says](#) the average American’s wealth is increased...because of illegal immigration”, though “by less than 1 percent.”

“...including these individuals is beyond the scope of the current analysis.”

However, one problem with this choice [to count per household instead of per individual] is that 2.08 million unlawful immigrants do not reside in households headed by unlawful immigrants. These individuals, who reside mainly in homes headed by lawful immigrants, are therefore not included in the present fiscal analysis for the interim and full amnesty periods. While this exclusion almost certainly reduces the fiscal cost figures presented in this paper, **including these individuals is beyond the scope of the current analysis.** – [Fiscal Cost...](#) Rector and Richwine, p. 40

I discuss above why this unidentified 20% must be single working adults, who are “net tax contributors”. *Not counting 20% of the population which is the primary target of Rector’s reckoning, alone*, overstates the cost to taxpayers of immigration by as much as 20%.

This problem would not exist had Rector’s study been dynamic instead of static, because a dynamic study does not count by households but

by individuals, at least according to *The New Americans*, a study whose methodology Rector frequently insists he follows.

You expansionists don't really want me to count the dynamic impact of immigration because then I would get to show how immigrants reduce citizens' wages!

Conversely, there may be other indirect effects that substantially increase the fiscal drain created by unlawful immigrants. An additional indirect fiscal effect would occur if the presence of immigrant workers in the U.S. reduced the wages or employment of competing non-immigrant workers. For example, Harvard professor George Borjas has estimated that the very large influx of immigrant workers between 1980 and 2000 lowered the wages of the average non-immigrant worker by 3.2 percent. In particular, the disproportionate influx of low-skill immigrants was estimated to reduce the wages of low-skill native workers by 8.9 percent.[\[56\]](#) – [Fiscal Cost...](#) Rector and Richwine, page 34

Roodman's metastudy spends some time on Borjas' 2003 study, footnoted by Rector's 2013 study. Of course Rector couldn't know that the next year, in 2014, Borjas would correct his 2003 study. Roodman, in 2014, reported that Borjas corrected has 8.9% citizen high school dropout wage drop to as low as 3.1%, as soon as investors can put the new laborers to work. Meanwhile the *average* wage impact for *all* citizen workers is a 3.2% wage rise.

He [Borjas] appears to make two major changes: adding 2010 census data, and simulating full capital adjustment as well as no capital adjustment.... [In his 2003 study,] Importantly, and somewhat oddly, Borjas *estimates the short-term impacts of this long-term development*. That is, he assumes that the capital stock does *not* expand at all in response to the new

workers.... Perhaps because of the additional data, [in 2014], the elasticity [degree to which demand reacts to a change in price] estimates rise: 6.7 instead of 3.5 across experience classes, 5.0 instead of 1.35 across education classes. This implies that *the wage impacts of new arrivals are more evenly spread across all workers*. Meanwhile, *allowing capital to fully adjust adds 3.2% to all wages*. As a result, *the 8.9% drop for the least-skilled in @Borjas 2003@ becomes a 6.2%* [assuming investors did not provide resources needed to put immigrants to work] or 3.1% drop [assuming investors fully capitalized new workers] in @Borjas 2014@ (see last two columns of Table 1).

This is an example of how Borjas, a quotable economist among Undocumented Economists like Rector and Camarota, is a lot more optimistic about the impact of immigration than they are, though he is probably the most pessimistic credentialed economist they can find.

“Immigrants hurt wages” based on outdated study, mistaken math

1-G Rector's claimed 10% wage drop for dropouts is based on a 2003 Borjas claim which Borjas has since corrected, and on a false assumption that the correlation between immigration rates and wage competition is linear.

Rector writes that “unlawful immigration” drives down the wages of citizen high school dropouts by 10%. No source is given for this claim.

A final problem is that unlawful immigration appears to depress the wages of low-skill U.S.-born and lawful immigrant workers by 10 percent, or \$2,300, per year. Unlawful immigration also probably drives many of our most vulnerable U.S.-born workers out of the labor force entirely. Unlawful immigration thus makes it harder for the least advantaged U.S. citizens to share in the

American dream. This is wrong; public policy should support the interests of those who have a right to be here, not those who have broken our laws. – [Fiscal Cost...](#) Rector and Richwine, page viii

Rector says the problem is worst for blacks, leading readers to presume that for blacks the wage hit is even higher than 10%.

Another potential impact of unlawful immigration is a reduction in employment rates for native workers. This may be of particular importance for youth and black male workers.[\[58\]](#) Heavy competition for jobs can discourage less-skilled workers, leading them to leave the labor force. – [Fiscal Cost...](#) Rector and Richwine, p. 34

His footnote is to three books to which I do not have access, on my budget, but their abstracts indicate the opposite. The [first](#) says a 10% influx of immigrants in a particular career reduced black's wages 2.5%, not 10%, and certainly not *higher* than 10%. The [second](#) says "The labor supply adjustments absorb most of the impact of immigration, and account for the weakness of the observed effects of immigration on wages and employment." The [third](#) says any job competition doesn't much affect adults: "...the increase in the population of less educated immigrants has had a considerably more negative effect on employment outcomes for native youth than for native adults."

The only time he alleges *anything like* his 10% wage drop claim, where he cites a source, his source is a 2003 study by George Borjas which, as I showed above, Borjas corrected in 2014, reducing the wage drop by one third to two thirds. But by the time we hear a source, it has dropped to 8.9%. Well, maybe Rector just rounded that up.

Harvard professor George Borjas has estimated that the very large influx of immigrant workers between 1980 and 2000 lowered the wages of the average non-immigrant worker by 3.2 percent. In particular, the disproportionate influx of low-skill immigrants was estimated to reduce the wages of low-skill native

workers by 8.9 percent.[\[56\]](#) [Footnote: "George J. Borjas, "The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market," *Quarterly Journal of Economics*, Vol. 118, No. 4 (November 2003), pp. 1335–1374."] – [Fiscal Cost...](#) Rector and Richwine, page 34

Roodman further distinguished the specific targets of job competition from uneducated immigrants: not citizens, but previous uneducated immigrants.

"Overall, this sub-literature suggests that low-skill natives have little to lose from low-skill immigration, but that earlier immigrants pay a price on the order of 2% for each immigration-induced 10% increase in immigrant labor supply... The third and fourth columns of Table 1, based on @Ottaviano and Peri 2012@, display some representative estimates of the impacts of the large and relatively skill-balanced US immigration inflow of 1990–2006. **A roughly 100% increase in the immigrant stock is estimated to have raised wages slightly for natives while reducing them about 10% among less-educated earlier immigrants.** *Arguably these losses [for earlier immigrants] are modest compared with the earnings gains the earlier immigrants themselves achieved by coming to the US.*

Rector's other basis for imagining a 10% wage drop for citizens from immigrant job competition is a misunderstanding of a figure from the National Research Council. Rector assumes that if a 10% increase of workers causes a wage drop of 3%, therefore a 33% increase would cause a wage drop of 10%. By Rector's math, a 300% increase would cause everyone to work for nothing.

The National Research Council has estimated that a 10 percent increase in the labor supply lowers the wage for similarly skilled workers by 3 percent.[\[57\]](#) In 2010,

unlawful immigrants constituted about 25 percent of employed adults with less than a high school degree. This means that unlawful immigrants have increased the labor supply of individuals without a high school degree by one-third.

Applying the NRC ratio, the wages of legal residents without a high school diploma have been reduced **by about 10 percent** due to unlawful immigration. This amounts to \$23.1 billion in lost income, or about \$2,300 per worker. A wage loss of \$23 billion would result in around \$8 billion in lost tax revenue (income, FICA, and consumption taxes) and perhaps \$6 billion in added welfare costs. The overall indirect fiscal loss to government would be around \$14 billion per year. – [Fiscal Cost...](#) Rector and Richwine, page 34

Not being, myself, an economist any more than Rector is, I may be guessing as badly as he apparently is, but it appears from what I read that the correlation between worker increase and wage drop is not linear. If it were linear, then as I said were a workforce of 100 to suddenly grow to 300, and if a 10% growth drops wages 3%, everyone would work for nothing. Rather than linear, the correlation is logarithmic. (The opposite of “exponential”.)

My analogy: if an empty water glass is 6 inches tall, and a pint of water in the glass raises the water level 6 inches, will a gallon of water in the glass raise the water level four feet? Of course not; once it reaches a certain limit, the flow beyond that disperses elsewhere. If the flow is sudden enough it can raise the water level above the top of the glass somewhat, but not for long.

It takes more than a 33% worker increase to drop wages by 10%: it takes a whopping 100% worker increase! And that 10% doesn't hit citizens, but earlier immigrants! Citizens benefit!

A roughly 100% increase in the immigrant stock is estimated to have raised wages slightly for natives while reducing them about 10% among less-educated earlier immigrants. Arguably these losses are modest compared with the earnings gains

the earlier immigrants themselves achieved by coming to the US. [Roodman's [overview](#)]

Roodman's [overview](#) endorses the NRC figure of a 3% wage drop for a 10% increase of workers, calling it “an accepted rule of thumb among” economists. But Roodman adds caveats which perhaps Rector has not thought of: that 3% wage drop is only when the “rise in labor supply” is “sudden, unexpected”. And that is only temporarily – in the “short term”. “Short term” is defined as how long it takes for investors to provide tools like “buildings, factories, and computers” needed to put the new workers to work. The wage drop even for recent immigrants is only temporary, until “capital” has supplied the tools and facilities to put all the new workers to work. To the extent the worker increase is predictable, there is no wait time for capital to supply the need. After that, there is a wage increase for everybody.

Of course, worker increases would be a lot more predictable if USCIS approval of legal work visas weren't such a decades-long crap shoot.

Alex Nowrasteh [summarizes](#) the reasons not to take seriously Rector's alarm about the threat to jobs and wages from immigration. The first economist he quotes is Borjas, whose 2003 study was Rector's main source for fearing job competition from immigrants:

The consensus among economists is that the economic gains from immigration vastly outweigh the costs.[6] In 2007, Mr. Rector incorrectly noted that, “there is little evidence to suggest that low-skill immigrants increase the incomes of non-immigrants.” Immigrants boost the supply and demand sides of the American economy, increasing productivity through labor and capital market complementarities with a net positive impact on American wages.[7] (Footnote: **Borjas and Katz**, “The Evolution of the Mexican-Born Workforce in the United States,” in *Mexican Immigration to the United States*, NBER Book, May 2007, **Lewis**, “Immigrants-Native Substitutability: The

Role of Language Ability,” NBER Working Paper 17609, forthcoming in David Card and Stephen Raphael, eds., **Ottaviano and Peri**, “Rethinking the Effects of Immigration on Wages,” *Journal of the European Economic Association*, 2012. **Peri and Sparber**, “Task Specialization, Immigration, and Wages,” *American Economic Journal: Applied Economic*, 2009, **Peri and Sparber**, “Highly-Educated Immigrants and Native Occupational Choice,” Centre for Research and Analysis of Migration Discussion Paper Series No. 13/08, November, 2008.)

Rector’s alleged negative impact of immigration on citizens’ wages is not explored in any of his charts. It is not the subject of his study. It is merely a broadside – a claim he makes without scrutiny or discussion, supported only by footnotes which seem to contradict him – to justify *not* balancing immigrants’ contribution to the economy against the “taxes paid/benefits received” ratio that he alleges.

Were Rector to factor in the economic impact of immigration, not to mention correcting the many biases I identify, he would have to reverse his “policy recommendations”. Instead of wanting immigration more restricted, he would want to *remove all numerical limits to immigration*. Because *all* citizens benefit personally from immigration, as soon as capital catches up with supply. And even before that, most citizens benefit financially. Only the youngest, least educated citizens do *not* benefit. And if *they* are hurt, it is by so little that we can’t know for sure.

No wage growth is assumed
 1-HA “static” study considers only what people earn at any given point in time, and ignores the fact that over time, incomes grow, with and without further education.

5. The authors do a lot of work to group illegal immigrants by educational level (as a proxy for income) and to estimate the fiscal costs for various eligibility phase-in timeframes. But, as best I can tell, they assume that a poor, low-skilled, poorly

educated illegal immigrant will remain poor, low-skill, and poorly educated, and that he will draw government subsidies his entire life. Incomes typically climb as a worker ages (including for low-skilled, low-wage workers). Some people who arrive in the U.S. illegally may initially take jobs well below their skill level because of language barriers that they later overcome. Others will get further education or build skills over time. Since government subsidies relate inversely to income, if you assume illegal immigrants will never see their education, skills, or income increase, then you’ll overestimate the government subsidies spent on their behalf and underestimate the taxes they pay. Ignoring the potential for self-improvement and economic advancement inflates the cost estimate.

Let’s not forget that those here illegally are the subset of those back home who had some combination of skills, determination, and savvy to make it to the U.S. despite significant barriers.

6. More broadly, the fear of discovery and deportation has to constrain the labor supplied by those here illegally. A talented electrical engineer here illegally might now be working in an unskilled job because green card verification is weaker for driving a cab than for working at Cisco or Intel. A spouse here illegally might choose to stay at home with the kids rather than seek paid work because the former has significantly lower risk of being discovered by immigration authorities. Eliminating these deportation risks will increase the available labor supply. Increased labor supply means a larger GDP, a larger tax base, and higher government revenues. Heritage appears to ignore all these supply-side labor effects, which is unusual from an organization that in other contexts has championed consideration of supply-side effects in fiscal estimates. - Keith [Hennessey](#), *Eight Problems with the Heritage immigration cost estimate*.

Letting immigrant children attend college to become “net contributors” nixed

2-A The superior IRS contribution of college grads over less educated “tax consumers” is a central theme of Rector’s study. The lower levels of education among immigrants is his reason for wanting them gone. So why don’t his recommendations include allowing them to get federal student loans?

Of course, not all the children of unlawful immigrants will graduate from college. Data on inter-generational social mobility show that, although the children of unlawful immigrants will have substantially better educational outcomes than their parents, these achievements will have limits. Only 13 percent are likely to graduate from college, for example. Because of this, the children, on average, are not likely to become net tax contributors. The children of unlawful immigrants are likely to remain a net fiscal burden on U.S. taxpayers, although a far smaller burden than their parents. – [Fiscal Cost...](#) Rector and Richwine, page viii

The superior IRS contribution of college grads over less educated hicks is a central theme of Rector’s study. Rector’s charts allege that only college grads are, on average, “net tax contributors”, paying more in taxes than they receive in government benefits. This is the reason his “policy issues” focus on throttling immigration of less than college-educated people.

The current unlawful immigrant population thus contains a disproportionate share of poorly educated individuals. These individuals will tend to have low wages and pay comparatively little in taxes. – [Fiscal Cost...](#) Rector and

How could Rector overlook the fact that the main reason undocumented children enter college at a lower rate than citizen children is that our laws deprive them of federal student aid, thanks to the scare-mongering of Undocumented Economists like Rector? Surely, had Rector thought of it, his “policy recommendations” would have included getting rid of these “shooting ourselves in the foot” restrictions.

(Digression: I wonder if Rector overstates the blessing to taxpayers of college degrees a bit by not mentioning the 14.5% past due rate on our federal \$1.1 [trillion](#) “[student loan bubble](#)”? Might this additional trillion in federal debt contribute to declining confidence in the dollar? Could defaults increase?)

Of course, not all of these children will graduate from college; many will have substantially lower educational achievements. The National Educational Longitudinal Study (NELS) reports the intergenerational educational attainment of U.S. children based on the educational attainment of their parents.[\[47\]](#) Table 12 uses data from the NELS survey to predict the educational attainment of the children of unlawful immigrants based on ethnicity and their parents’ education level. Although these children will clearly do better than their parents, 18 percent are still likely to leave school without a high school degree, and only 13 percent are likely to graduate from college. – [Fiscal Cost...](#) Rector and Richwine, page 31

Besides denial of federal student loans, is there an assumption here that children of immigrants will do no better than children of citizens? My anecdotal experience is that immigrants work harder. The children I know study hard and are top in their class. Economists find that immigrants are, per person, more innovative than citizens. I know of no support for Rector’s assumption.

The odds that the children of unlawful

immigrants, on average, will become strong net taxpayers are minimal. Indeed, for these children even to become fiscally neutral (taxes paid equal to benefits received), the percent that graduate from college would need to rise to 30 percent, and the percent without a high school diploma would need to fall to 10 percent. In reality, unlawful immigrants will be net tax consumers, placing a fiscal burden on other taxpayers not only in the first generation, but in the second generation as well. – [Fiscal Cost...](#) Rector and Richwine, page 31

Based on Rector’s alleged correlation between education and contribution, the stupidist thing any restrictionist can do is quibble with the reasoning of *Plyler v. Doe* (1982) which says it is citizens and our nation who benefit, when these children are educated. So why are undocumented students [denied](#) federal student loans?

Dissing “net tax consumers” attacks public ed’s premise

2-B *The very purpose of public education is taxes redistribution so poor children can become more productive too. This very redistribution is Rector’s central complaint.*

Rector’s central theme is that people should not be welcomed into America who are likely to be “net tax consumers”. Most of the “benefits” he attributes to these “consumers” are for public education.

Yet the very premise of public education is that children of parents who can’t afford the same education that rich parents can, *should* be given a better education than their parents can afford courtesy of wealthier taxpayers – as an investment in America’s future.

This principle is so settled in tradition and American law that it is a crime for poor parents to *not* send their children to schools they can’t afford! Our laws *require* immigrants to send their children to our public schools.

Then Undocumented Economists say because they go to our public schools, they should be driven from America.

4. [Congress should] Ensure that any guest worker program is truly temporary and not a gateway to welfare entitlements.⁶² A program that involves long-term residence and permits access to welfare, Social Security, Medicare, and public education would be enormously expensive for the U.S. taxpayer. For example, if the “guest worker” brings school-age children with him, each child will generate, on average, \$12,300 in public education costs that must be funded by U.S. taxpayers. – [Fiscal Cost...](#) Rector and Richwine, p. 36

Plyler v. Doe, 1982, said states can’t expel children from public schools for being undocumented. It didn’t say states have to put parents in jail and take away their children for not sending them to school. It didn’t say we couldn’t reward them for home schooling with, say, timely processing of their “adjustment of status” applications. If we processed applications in two weeks instead of two generations, in return for home schooling and mastering English, immigrants would home school and master English.

If the reason we should drive away less educated immigrants is that public schools are driving America to the poor house, how is that problem any less for uneducated citizens than for uneducated immigrants? Wouldn’t America be stronger if we deport citizen parents, too, whose taxes don’t cover the cost of public education? How can public education for citizens be in America’s interest, but not public education for immigrants?

Public education is, by definition, funded by the redistribution of taxes from wealthier taxpayers to the children of poorer taxpayers. The whole idea terrifies Rector. Of all the threats to America Rector’s study identifies, this redistributive system is his worst nightmare:

Following amnesty, the fiscal costs of former unlawful immigrant households

will be roughly the same as those of lawful immigrant and non-immigrant households with the same level of education. Because U.S. government policy is highly redistributive, those costs are very large. Those who claim that amnesty will not create a large fiscal burden are simply in a state of denial concerning the underlying redistributive nature of government policy in the 21st century. – [Fiscal Cost...](#) Rector and Richwine, page viii

How can we reexamine our confidence in the value to America of public education for immigrants, without reexamining it for citizens?

We need to expel Mississippi from the union because it has the lowest standard of living and quality of life. We need to sterilize musicians.

St. Peter asked the first guy in line at the Pearly Gates how much he earned on Earth. “\$200,000 a year. I was a trial attorney.” “Very respectable. Go on in.”

Second guy: “\$100,000 a year. Real estate.” “Fine. Go on in.”

Third guy: “\$19,000.” “Cool! What instrument did you play?”

The very purpose of public education is under attack by the complaint that parents are a drain on America if their taxes don’t cover the bill for their kids’ schooling. But the conclusion of this study is that no expense should be spared to drive away millions of such parents and their children.

For the average unlawful immigrant household to become fiscally solvent, with taxes paid equaling immediate benefits received, it would be necessary to increase the household’s tax payments to 240 percent of current levels. Alternatively, unlawful immigrant households could become solvent only if all means-tested welfare and nearly all public education benefits were eliminated. – [Fiscal Cost...](#) Rector and Richwine, page 17

What kind of amazing logic complains for 102 pages that immigrants cost taxpayers too

much because they have too little education, and in the middle of it proposes the solution of leaving them with even less education?

This “distribution of wealth” which the rest of America regards as the key to our future, Rector regards as unfair.

Plyler v. Doe’s reasoning for not allowing states to make undocumented children the exception to this system was that

“the record is clear that many of the undocumented children disabled by this classification will remain in this country indefinitely, and that some will become lawful residents or citizens of the United States. It is difficult to understand precisely what the State hopes to achieve by promoting the creation and perpetuation of a subclass of illiterates within our boundaries, surely adding to the problems and costs of unemployment, welfare, and crime. It is thus clear that whatever savings might be achieved by denying these children an education, they are wholly insubstantial in light of the costs involved to these children, the State, and the Nation.” 457 U.S. 202 *Plyler v. Doe*.

But Rector doesn’t even limit his cry of “unfair” to undocumented children. He decries the costs of citizen children, born in the U.S. to an undocumented parent, or even to citizen parents if mom remarries an immigrant. I suppose for those who believe a population increase harms America, it must be annoying to allow these leeches to have children. But many Americans have little patience with treating these natural born citizens who did not choose their parents as any greater “cost” than any children with more respectable parents. Rector’s skewing of results to satisfy this prejudice wrecks the value of this study for the majority of Americans who do not share it.

Rich adult singles to be deported with costly children
2-C Rector’s policies would deport single “net tax contributors” along with costly children.

4. [Congress should] Ensure that any guest worker program is truly temporary and not a gateway to welfare entitlements.⁶² A program that involves long-term residence and permits access to welfare, Social Security, Medicare, and public education would be enormously expensive for the U.S. taxpayer. For example, if the “guest worker” brings school-age children with him, each child will generate, on average, \$12,300 in public education costs that must be funded by U.S. taxpayers. – [Fiscal Cost...](#) Rector and Richwine, page 36

Public education is by far the greatest expense that concerns Rector. His Chart 3 lists it as a greater taxpayer expense, in “unlawful immigrant households”, than all other expenses added together. But Rector’s policy recommendations would deport single adult immigrants, who have no public education expense and who thus are probably “net tax contributors”, right along with immigrant children.

Immigrants charged for waste

2-D It isn’t immigrants’ fault that much of the education money we spend on them is waste; deporting them isn’t going to stop us from being wasteful.

By 1998, recent immigrants were almost four times more likely to lack a high school degree than were non-immigrants. [9] [Footnote: George J. Borjas, *Heaven’s Door: Immigration Policy and the American Economy* (Princeton, N.J.: Princeton University Press, 1999), p. 27.] – [Fiscal Cost...](#) Rector and Richwine, p. 4

Falsely accusing an easy target which is *not* the problem distracts precious voter attention from harder targets which *are* the problem, which require more precious voter attention than they are getting.

If Rector is seriously concerned about the burden to taxpayers he imagines comes from educating immigrants, why does he express no concern about the far greater burden from waste?

Not only have private schools and home schools shown how to educate children a LOT better for a fraction of the money, but Godphobic public schools full of “mandatory reporters” destroy souls, sodomize, split up families, introduce innocent children to sex and drugs, use reading methods that produce dyslexia, producing a frighteningly high portion of dropouts, perverts, criminals, and even graduates who can barely read, write, or do simple arithmetic.

Many will not agree with so pessimistic view of public schools, but enough will to render allusion to them, as a “benefit”, arguable. When counting the “benefits” received by immigrants, it is misleading if not malicious to count things that destroy them, just because destroying them costs us so much. Jailing them costs us even more; shall we count jail as a “government benefit” also? Steven Camarota actually did, in [2004](#).

Only 13 percent are likely to graduate from college, for example. Because of this, the children, on average, are not likely to become net tax contributors. The children of unlawful immigrants are likely to remain a net fiscal burden on U.S. taxpayers, although a far smaller burden than their parents. – [Fiscal Cost...](#) Rector and Richwine, page viii, 31

I noted above the malicious hypocrisy of blaming immigrants for being less educated, when it is restrictionists like Rector who have withheld access to student loans from immigrants who would love to go.

It’s been awhile since I’ve read anything this gung-ho about the economic wisdom of going to college in order to incur another \$150,000 in debt. I’m a conservative Republican, so most of the articles that come my way are about the trashing of useful education by the tenure system, by bureaucratic requirements to displace courses relevant to the subject with nonsense promoting alternative morality, by not allowing obviously over-qualified experts to teach because they don’t

have a particular kind of diploma, by taxpayer-backed student loans which have driven education costs through the roof, and by bureaucracy-worship that pays education bureaucrats the more, the farther removed they are from children!

The articles I see in conservative media are more likely to question whether a degree is a net economic benefit even after slogging through the initial decades after graduation of unimaginable debt. They point to careers that pay well with less than a degree.

Of course, I find none of these criticisms in liberal media. Which makes me wonder what Rector reads. This Brookings Institute [article](#) is about the lack of information that would help students choose which degrees from which colleges will best equip them to pay off their student loans.

[Here](#) is an article about a list of words and phrases which professors at the University of California are ordered not to say.

Great quotes from [Pamella Geller](#) June 12:

“My high school was on split session so I would get out at noon and work long hours. I continued to do that in college. College coursework was out of touch with the real world. The business world was infinitely more educational. I wasn’t studying to be a doctor or a lawyer so much of the required curriculum was a lot of nonsense and indoctrination, Useless, really. -... No. [I don’t regret dropping out of college.] Universities are largely centers of leftist indoctrination today. I don’t regret not going through that. It was holding me back. The real world was infinitely more interesting.” [An interesting dis of “leftist indoctrination”, since in the same interview she said she is liberal on social issues.]

The larger a nation’s brain pool, to the extent they live in freedom and safety, and are educated, the greater technology they can support, which is the path to prosperity, luxury, necessities, and safety from enemies. Rector would reduce these blessings through deportation and denial of education. Rather than talk about education waste, he talks about reducing the size of America’s

future brain pool.

The threat is neglect of subjects like engineering to favor social engineering. It is funds wasted on useless staff. Private schools cost far less and produce students with better test scores. Let public schools learn from them, and let’s have more vouchers.

“Public schools can do no wrong” is the mantra of Democrats. It is not becoming in a researcher who services conservative Republicans.

Part 3: Social Security

Counting SS, not kid's taxes

3-A (*This repeats point made above*)

Social Security costs to taxpayers of immigration are dramatically overstated by “counting ‘per household’ selectively”, as the section above explains. To recap:

Rector counts “per household” while he is working and paying taxes and receiving few if any government benefits for himself, so that his children’s public schooling costs can be subtracted from his tax payments to make him look like a “net tax consumer”.

But then when he retires and becomes a “net tax consumer” in fact, receiving Social Security, Rector switches to counting “per individual” so he doesn’t have to reduce his debt to taxpayers by the taxes paid by his now adult children.

Questionable SS math

3-B *Is Rector overstating SS payouts by double?*

Many policymakers believe that after amnesty, unlawful immigrants will help make Social Security solvent. It is true that unlawful immigrants currently pay FICA taxes and would pay more after amnesty, but with average earnings of \$24,800 per year, the typical unlawful immigrant will pay only about \$3,700 per year in FICA taxes. After retirement, that individual is likely to draw more than \$3.00 in Social Security and Medicare (adjusted for inflation) for every dollar in FICA taxes he has paid

Moreover, taxes and benefits must be viewed **holistically**. It is a mistake to look at the Social Security trust fund in isolation. If an individual pays \$3,700 per year into the Social Security trust fund but simultaneously draws a net \$25,000 per year (benefits minus taxes) out of general government revenue, the solvency of government has not improved. – [Fiscal](#)

[Cost...](#) Rector and Richwine, page vii

“Holistically”? So far this study totally ignores the impact of immigration on the “whole” economy, focusing instead only on the ratio of taxes paid to benefits received. Rector ignores the fact that what is paid in year after year is for about 50 years, and would draw interest if apathetic citizens would stop politicians from robbing it, and the benefits paid out would only be for 10-15 years.

Since Rector gives no sources for these figures, it is hard to imagine where he found them. A Social Security [Calculator](#) at the AARP website says that if you are single, and earn \$24,800, your benefit will be \$1,091 a month, or \$13,092 a year. *Before* taxes. That is a teensy short of \$25,000 a year, *after* taxes. We may presume Rector is figuring the costs of *singles*, since he says he counts retirees “per individual”.

But suppose he switches to counting singles as “married” when he uses the social security calculator. If \$24,800 is the total of both spouses’ income, divided evenly, the benefit they each would receive would be \$776, totaling \$1581 a month, or \$18,972 a year. Still shy of \$25,000 a year.

By the way, FICA taxes on \$24,800 at 15.3% comes out to \$3,794, not \$3,700 as Rector wrote. He rounded the tax payments down a bit.

But the [calculator](#) at the Social Security Administration website introduces a factor which makes the expected benefit much lower. When you enter your current salary, it goes back 35 years and guesses how much lower your wage was in the past. It then allows you to correct its guess for each year, but for example if your salary is \$24,800 today, it supposes your salary was \$12,100 in 2000, and \$6,500 in 1990. I suppose these are averages that take into account inflation and promotions.

With these adjustments, your monthly benefit will drop to \$771, or \$9,252 a year! The AARP calculator did not take this into account; its result is almost the same as the SSA calculator shows if \$24,800 is entered for each of the past 35 years as if there were no such

thing as inflation.

But as we consider the impact of “amnesty” on Social Security costs, there is another factor that brings down an immigrant’s expected benefit way way down: benefits are based on the 35 years that saw the highest salary. What happens to the immigrant who receives “amnesty”, as Rector calls immigration reform, only 10 years before retirement? The SSA calculator says if you have only 10 years of qualified earnings of \$24,800 a year, you get a whopping \$448 a month, or \$5,376 a year.

I wish Rector would explain the scenario in his mind, in which someone making \$24,800 a year could retire on \$25,000 a year! I can’t figure it out, which must be why I am not rich.

Obamacare, SS costs counted

3-C We can’t count future Obamacare and SS costs as a factor in policy; if we fail to repeal/reform them there will be no America left for immigration to destroy.

The problem with counting these costs as a basis for policy is that even if there were not going to be one more immigrant, ever, we simply have to repeal Obamacare and reform Social Security very quickly or there will be no America left for immigration to destroy.

Amnesty would provide unlawful households with access to over 80 means-tested welfare programs, Obamacare, Social Security, and Medicare. The fiscal deficit for each household would soar. – [Fiscal Cost](#)... Rector and Richwine, page vi

These four things simply have to be reformed, or eliminated as appropriate, or there will be no America left for immigrants to destroy. It simply is unreasonable to drive out immigrants on the pretense that their future use of these programs will destroy America, when the use of these programs by citizens is 98% of the problem.

Reform of these programs is obstructed by blaming immigrants instead of the programs

themselves. It misdirects the energies of voters. Driving out every last immigrant will not save America from the deadly waste in these programs, or even significantly delay its consequences. Any hope for any future sound fiscal solution has to presume Obamacare’s speedy demise.

The final phase of amnesty is retirement. Unlawful immigrants are not currently eligible for Social Security and Medicare, but under amnesty they would become so. The cost of this change would be very large indeed. – [Fiscal Cost](#)... Rector and Richwine, page vi, 27, 29

That is, assuming that after all that time the system has still not been corrected. If it still will have not been, there will be nothing left of our nation for immigrants to destroy. We will all be moving to Mexico.

In fact, an actual solution would be for the Hispanic voting majority in 20 years, utterly unable to carry the burden of the retirees who refused to allow Hispanic immigrant families to come fill up the Social Security Trust Fund, to simply slash SS by 90% and invite retirees to move to Honduras where they can live comfortably on 10%.

It is fairly likely that a good share of young unlawful immigrants will become eligible for SS anyway by the time they retire; so really the choice for voters is whether or not to legalize them earlier rather than later, and reap, earlier rather than later, the benefits of the increased taxes that will enable them to pay us.

If millions of unlawful immigrants utilize the parent visa option in the future and thereby obtain legal permanent residence and/or citizenship, the cost to the taxpayers could run into the trillions. Thus, ironically, the increased fiscal costs generated by amnesty may be reduced by the fact that many unlawful immigrants already have potential long-term access to Social Security, Medicare, Obamacare, and means-tested welfare through a loophole in current law. – [Fiscal Cost](#)... Rector and Richwine, page 30

This is what I just said, that most will be legalized anyway, so our choice is between sooner, when they will pay more taxes, or later. This also ought to change Table 11's "Long term total under existing law" entry.

There is another problem of an aging population besides the money: the closer we approach to one retiree to two people young enough to work, the fewer people will remain who are young enough to care for the elderly, no matter how much money the elderly have. At some point the elderly will demand more immigration simply to provide enough labor to take care of them. Wait, is this already happening?

If one assumes that under current law, most unlawful immigrants will return to their country of origin around age 55, the lifetime fiscal costs of unlawful immigrants under current law are comparatively low: only around \$1 trillion. The net increased fiscal costs generated by amnesty would be around \$5.3 trillion (\$6.3 trillion minus \$1 trillion.) – [Fiscal Cost...](#) Rector and Richwine, page 30

I would like to see some basis for this assumption.

Rector makes two assumptions, not just one, to support his claim that America can't afford to fix its immigration laws.. He assumes not only that "under current law, most unlawful immigrants will return to their country of origin" before retirement, but that they will stay after retirement, if immigration reform lets them.

A [survey](#) challenges both assumptions. It indicates legal difficulties are low on the list of reasons immigrants return. Of those who have returned, only 11% were deported; 89% returned voluntarily, and neither the fear of deportation nor difficulty getting jobs was frequently mentioned as the reason. 37% returned for family, 29% for country; only 11% returned for work.

I don't know how to calculate a percentage of how many return, because it is common for an immigrant to cross the border several times, going back and forth. So there is a lot of turnover. But the slight influence of immigration law turbulence

in the decision to return indicates immigration reform will not slow the emigration much.

Another survey says [96%](#) of Hispanics who are not citizens wish they were; but only 46% of those eligible to apply have, and only 36% of Mexicans. Reasons: not knowing English, unable to afford the \$680 to apply (not counting attorney fees), and not getting a round tuit.

Not knowing English is of course a biggie. When the survey talks about people *eligible* to apply to *see* if they qualify, it is obviously not necessarily talking about people who *qualify*.

This reminds us that there are immigrants who, even after adjustment of status, will never learn enough English to earn citizenship and the access to benefits available only to citizens which Rector fears will drive America into Chapter 7.

Yet another limit on the influence of legalization in increasing the use of Social Security by retirees is suggested by the statistic from one of these links that about 55% of those eligible for DACA applied for it. I don't know the reasons, but I know there are two risks: one, that after an application ICE knows right where to find you thanks to your application. Second, it being only temporary, the next president might well not renew the program but instead just go after all the applicants since ICE now knows where to find them.

The same risk will exist for almost any foreseeable immigration reform. Not every application will be approved, and the process will be so complicated that lawyers will not often be able to predict the outcome of an application.

Nearly half a [million](#) applications for adjustment of status are "pending". In many cases for years. Which reminds us that even if we get immigration reform and millions are made eligible, many will not live long enough to be approved.

The people who would be legalized by reform and who would use the opportunity to remain here are probably the same people who will eventually find a place in line anyway; even Rector acknowledges one way to do that is by applying as parents of children born here as citizens, which parents can do when their children become adults. So in this situation reform would only speed up the legalization process. Which is in the interest of

citizens, since the earlier we let them legalize, the more taxes they will pay.

So for all these reasons Rector's doom and gloom seems far fetched.

Policymakers who are interested in future government solvency should close this loophole by prohibiting any individual who has fathered or mothered a child in the U.S while he or she was an unlawful immigrant from ever receiving an immediate relative/parent visa. This would prevent unlawful immigrants from gaining legal permanent residence and citizenship simply because they have children born in the U.S. – [Fiscal Cost...](#) Rector and Richwine, page 30

A better and cheaper solution for everybody would be to allow any citizen or lawful immigrant to sponsor any family member or friend, without numerical limit, provided they agree to “sponsor” them themselves and waive eligibility for welfare for 10 or 20 years. I have talked to refugees who are eligible for full welfare but who tell me “yes I will be glad to care for my family myself, without welfare, if they are allowed to come! Let me sponsor them!” Under current law only citizens can sponsor refugees – not other refugees here legally.

Which reminds me: People who are allowed to work have less need of welfare! Duh!

Obscuring a real solution

3-D *Importing young taxpayers is a short term solution for federal debt, and we can't afford to turn away a short term solution.*

Social Security is a real mess, and the Social Security Administration said S744 would have been a huge blessing to our SS trust fund for the next 10 years.

I know that because I read the Center for Immigration Studies' [criticism](#) of the SSA report.

The criticism, by David North who has an MA but no degree in economics, is that it may be a huge blessing for 10 years but will be a huge burden after then when they retire and become eligible.

Even if that were true, a short term easing of

our deficit and debt is absolutely not to be spurned even if it is not also a long term solution. America's short term survival is at stake. If we survive 10 years, maybe then we can heal our government. We really need a short term solution to bring America back from the brink, and give us time to enact entitlement reform and then for its benefits to kick in.

It will be easier to put blame where it belongs when we take it away from where it doesn't belong.

The only serious *long* term solution is to outlaw abortion.

These figures [charts 7 & 8] belie the notion that **government can relieve financial strains in Social Security and other programs simply by importing younger unlawful immigrant workers.** The fiscal impact of an immigrant worker is determined far more by education and skill level than by age. Low-skill immigrant workers (whether lawful or unlawful) impose a net drain on government finance as soon as they enter the country and add significantly to those costs every year they remain. – [Fiscal Cost...](#) Rector and Richwine, p. 18

As he does so often, Rector does not identify whoever he is refuting. Here he just calls whatever someone else said, that he disagrees with, a “notion”.

Could he be talking about *me*? I wrote exactly what Rector said is a “notion”, and WorldNetDaily.com published it only months before Rector published his study. It is titled “The ‘import taxpayers’ [solution](#)”.

Final solution-repeal abortion

3-E *Outlawing abortion: long term solution.*

Importing taxpayers: a dramatic short term solution. Here's my [legal brief](#) challenging the constitutionality of immigration quotas. Criminalizing abortion: the long term solution being to criminalize abortion as we bridle courts. [Here](#) is a legal brief with my ideas about court-proofing a state's outlawing of abortion.

Part 4: Ignoring critics

Not citing or addressing critics

Rector acknowledges that there are people who disagree with him, but he doesn't say who. He does not admit that virtually all economists do and that the only people who agree with him are people who have as little economics education as he does.

Nor does he report details of what his critics allege, or their evidence. Much less does he address the evidence against him and address it, explaining why readers should believe him rather than contrary research.

Instead of this scholarly process, he makes vague references like "people say", followed by a single phrase summary of contrary findings. Examples follow.

The failure to cite and address criticism raises the question whether he is simply unaware of any evidence that refutes his own, due to his lack of education.

What makes this especially ironic is that among the competing findings to Rector's, are the findings of Tim Kane, who has a Ph.D. in Economics, and who published, at Heritage where Rector works, a very positive study about immigration a year before Rector's first very negative study! Yet Rector, neither in 2007 nor in 2013, acknowledged the earlier Heritage study which reached opposite conclusions!

More about Kane's study later, but first here are some examples of what I am talking about:

Some argue that the deficit figures for poorly educated households in the general population are not relevant for immigrants. **Many believe**, for example, that lawful immigrants use little welfare. In reality, lawful immigrant households receive significantly more welfare, on average, than U.S.-born households. – [Fiscal Cost...](#) Rector and Richwine, page vi

Rector should cite who "some argue" and "many believe" are. But then he might have to admit he is talking about the thousands of credentialed economists whose research proves what these "many believe". He should cite their

research by title, and the economists by name, who say that, but it would be a long list, contrasted with the mere dozen or so Undocumented Economist "researchers" who agree with him. He brazenly rejects all their research with his unsubstantiated statements.

One benefit of citing opposition is that it allows people who think for themselves to see what he is refuting. The benefit to the writer, of citing opposition and then addressing it, is that it immunizes readers against later finding opposition data on their own, seeing how persuasive it seems, and wondering if the author of the present study simply didn't know about it and might have changed his mind had he seen it.

There is a popular misconception that immigrants use little welfare. The opposite is true. – [Fiscal Cost...](#) Rector and Richwine, page 15

This seems the closest Rector will come to acknowledging that he and his dozen or so Undocumented Economist peers are refuted by the research of thousands of credentialed economists. Rather than cite any criticism, he calls it all "a popular misconception"!

Many political decision makers believe that because unlawful immigrant workers are comparatively young, they can help to relieve the fiscal strains of an aging society. Charts 7 and 8 show why this is not the case. – [Fiscal Cost...](#) Rector and Richwine, page 17

Again, no acknowledgment of what economists have found. Just "many political decision makers". A responsible study would not merely acknowledge that contrary findings exist; it would cite some of those leading findings. Nor would a responsible analysis end there: it would address those findings, and prove why they are wrong. This study does not even begin that scholarly process.

Many conservatives believe that if an individual has a job and works hard, he will inevitably be a net tax contributor

(paying more in taxes than he takes in benefits). In our society, this has not been true for a very long time. – [Fiscal Cost...](#) Rector and Richwine, page vii

Many policymakers also believe that because unlawful immigrants are comparatively young, they will help relieve the fiscal strains of an aging society. Regrettably, this is not true. – [Fiscal Cost...](#) Rector and Richwine, page vii

Many politicians believe that households that maintain steady employment are invariably net tax contributors, paying more in taxes than they receive in government benefits. – [Fiscal Cost...](#) Rector and Richwine, page 17

No politicians or policymakers are named. It is not acknowledged that there is research on the subject by economists.

Those who claim that amnesty will not create a large fiscal burden are simply in a state of denial concerning the underlying redistributive nature of government policy in the 21st century. – [Fiscal Cost...](#) Rector and Richwine, page vii

I guess the Congressional Budget Office is “in a state of denial concerning the underlying redistributive nature of government policy”.

Most experts believe that at least 350,000 more unlawful immigrant households resided in the U.S. but were not reported in the CPS. ...[they] together equaled \$54.5 billion (the deficit of \$14,387 per household times 3.79 million households).. – [Fiscal Cost...](#) Rector and Richwine, p. 18

On the strength of “most [uncited] experts believe”, he jacks up the “cost” another \$54.5 billion.

It is often argued that unlawful immigrants have a positive impact on U.S.

taxpayers because they pay taxes into the Social Security trust fund. – [Fiscal Cost...](#) Rector and Richwine, page 31

Again, “it is often argued”, with saying who, or giving a cite.

Most analysts assume that roughly half of unlawful immigrants work “off the books” and therefore do not pay income or FICA taxes. – [Fiscal Cost...](#) Rector and Richwine, page vi

“Most analysts” is a sloppy way to refer to the views of others. I would like to know if any of the “analysts” he has in mind have credentials in economics.

Cato economist Alex Nowrasteh noted the irony that Rector does not even acknowledge the opposite findings of fellow Heritage researcher Tim Kane, in Nowrasteh’s [article](#) pleading with Rector to be more careful:

Heritage has elsewhere called low-skill migrant workers “a net positive and a leading cause of economic growth”[\[24\]](#) and accurately reported that “[t]he consensus of the vast majority of economists is that the broad economic gains from openness to trade and immigration far outweigh the isolated cases of economic loss. [**Kane and Johnson**, “The Real [Problem](#) with Immigration ... and the Real Solution,” *Heritage Institute Background*, No. 1913, March 1, 2006, p. 3.]

Kane’s [study](#) says

“The argument that immigrants harm the American economy should be dismissed out of hand. ...it is folly to blame immigrants for hurting the economy....**Whether low-skilled or high-skilled**, immigrants boost national output, enhance specialization, and provide a net economic benefit. The 2005 *Economic Report of the President* (ERP) devotes an entire chapter to immigration and reports that “A

comprehensive accounting of the benefits and costs of immigration shows the benefits of immigration exceed the costs." [3] The following are among the ERP's other related findings:

- * Immigrant unemployment rates are lower than the national average in the U.S.;

- * Studies show that a 10 percent share increase of immigrant labor results in roughly a 1 percent reduction in native wages—a very minor effect;

- * **Most immigrant families have a positive net fiscal impact on the U.S., adding \$88,000 more in tax revenues than they consume in services;** and

- * Social Security payroll taxes paid by improperly identified (undocumented) workers have led to a \$463 billion funding surplus.

The increasing worry about outsourcing jobs to other nations is just one more reason to attract more jobs to America by insourcing labor. If workers are allowed to work inside the U.S., they immediately add to the economy and pay taxes, which does not happen when a job is outsourced. Therefore, capping the number of H-1B visas limits America's power as a brain "magnet" attracting highly skilled workers, thereby weakening U.S. firms' competitiveness.While the presence of low-skill migrant workers can be construed as a challenge to low-skill native workers, the economic effects are the same as the effects of free trade—a net positive and a leading cause of economic growth. A National Bureau of Economic Research study by David Card found that "Overall, **evidence that immigrants have harmed the opportunities of less educated natives is scant.**" [7] The consensus of the vast majority of economists is that the broad economic gains from openness to trade and immigration far outweigh the isolated cases of economic loss. In the long run, as has been documented in

recent years, the gains are even higherThe real problem with undocumented immigrant workers is that flouting the law has become the norm, which makes the job of terrorists and drug traffickers infinitely easier.

You don't suppose it is possible, do you, that when Rector published his original immigration study in 2007 (of which his 2013 study is an update), that he just didn't *know* about Kane's 2006 immigration study? I mean, just because they worked in the same office doesn't mean they had heard of each other, right? Just because he *worked* for the Heritage Foundation doesn't prove he *read* anything by the Heritage Foundation, does it? Well, seriously, here is probably why Rector didn't know about Kane: Kane was in a totally different department of Heritage. Kane was Director for the Center of International Trade and Economics at Heritage, while Rector never majored in economics.

The less agreeable theory is that Rector *did* know his study on immigration economics violently contradicts Kane's study on the subject; he *did* know Kane has stellar economics credentials while he has none; and he just felt his study — bearing the Heritage name, after all — would be the more marketable, the fewer people knew that.

Even if Kane's study slipped past Rector's notice in 2007, I have shown previously the evidence that Rector saw Nowrasteh's critique of the 2007 study, in which Nowrasteh mentioned the contradiction with Kane's 2006 study. But in neither Rector's [2007](#) study, nor in his [2013](#) study, is the name "Kane" found.

Unfortunately, the less agreeable theory is the one that is the more believable.

Rector "[holds](#) a bachelor's degree from the College of William and Mary and a master's degree in political science from Johns Hopkins University." There is no indication of an education in economics. By contrast, here is Tim [Kane's](#) economics education and experience:

[University of California, San Diego](#)
PhD Economics, 2001 [United States Air Force Academy](#) B.S. Economics and

Political Science, 1990 / **Timothy J. "Tim" Kane** (born April 28, 1968) [[citation needed](#)] is an [American](#) economist, currently serving as a research fellow at the [Hoover Institution](#) and editor of [Peregrine](#), a journal on [immigration to the United States](#).^{[1][2]} He was formerly the chief economist at the [Hudson Institute](#), a Senior Fellow of the Kauffman Institute, and was Director of the Center for International Trade and Economics at the [Heritage Foundation](#). He was the lead editor of the 2007 [Index of Economic Freedom](#), co-published by [The Wall Street Journal](#) and the Heritage Foundation

Rector didn't just forget to mention Kane, in 2007. He actually wrote "there is little evidence to suggest that low-skill immigrants increase the incomes of non-immigrants."

In the 2013 study he was simply silent about any opposing evidence.

In Nowrasteh's [critique](#) which Rector read a month before publishing his 2013 study, Nowrasteh wrote:

The consensus among economists is that the economic gains from immigration vastly outweigh the costs. ^[6]... Immigrants boost the supply and demand sides of the American economy, increasing productivity through labor and capital market complementarities with a net positive impact on American wages.^[7] Heritage should adjust its estimates to take account of the positive spill-overs of low-skilled immigration.

Even God names, and quotes, His critics, throughout the Bible. In fact, not just quoted, but quoted in their most favorable light. God gives them their "best shot" before He exposes them. That is how He immunizes His readers. *Truth is made more clear by its contrast with falsehood. Light is most easily seen when it shines in the dark.*

Scholars normally, routinely, quote other literature, and discuss how others reached different results.

[Canon](#) of Judicial Ethics #19 eloquently explains how this scholarly approach is helpful in court:

"...a judge should indicate the reasons for his action in an opinion showing that he has not disregarded or overlooked serious arguments of counsel. He thus shows his full understanding of the case, avoids the suspicion of arbitrary conclusion, promotes confidence in his intellectual integrity and may contribute useful precedent to the growth of the law..."

The Bible associates the absence of this scholarly approach with shame and injustice:

Proverbs 18:13 He that answereth a matter [reaches a conclusion] before he heareth it, [before he hears the evidence on both sides] it is folly and shame unto him.

John 7:51 Doth our law judge any man, before it hear [the evidence on all sides] him, and know what he doeth [establish the facts in a fair forum]?

Part 5: Miscellaneous problems

“Net present value” ignored

5-A Adding 50 years of debt to a total of trillion\$ ignores how much cheaper it is to spread out payments than to have to pay off a debt at once.

This is one of many concepts this Undocumented Economist had to have explained, since none of my music theory classes had explained to me that such a concept even exists. And yet Alex Nowrasteh wrote to me, in explaining its importance,

“I did not see anything [in my article] about discount rates. It might be worth adding a few paragraphs to explain why the headline \$6.3 trillion over 50 years doesn't even make any sense. It might be worth adding a few paragraphs to explain why the headline \$6.3 trillion over 50 years doesn't even make any sense. When I raised this criticism to House GOP members, they were shocked that Rector hadn't included a discount rate.”

Nowrasteh linked to this explanation:

7. To get their huge numbers Heritage sums up spending over a 50-year period. They adjust their estimates of future spending and taxes for inflation but not for the time value of money. Most official legislative cost estimates are done for a 5 or 10-year period, in which these effects are small and customarily ignored. But nobody adds up a 50-year fiscal stream without either discounting it or measuring it as a % of GDP rather than in real \$. Using a 3% real long-term interest rate (CBO's assumption), a dollar of cost 50 years from now is equivalent to a 23¢ cost today. Heritage counts this cost as a dollar rather than 23 cents. They should be showing us net present values if they want to do long-term estimates. It's tough to say exactly, but a back-of-the-envelope calculation suggests this almost doubles their final number.

My brain unrelieved of its fog, I looked up “net present value” in [Wikipedia](#), my favorite economics textbook. Even after that I barely understand how to apply it to Rector's \$6.3 trillion, but here goes:

First of course we would have to agree with Rector that there is any cost at all of immigration to America's citizens and government over time, instead of a net gain as the CBO and other economists indicate. So for the moment we will pretend to agree that immigrants cost \$6.3 trillion a year divided by 50, giving us \$126 billion a year. Roughly a quarter of our federal deficit.

Here is my analogy: Suppose I am going to buy a car. Right now I can't afford a trike, but just suppose.

Suppose the car costs \$6,300. My choice is to pay \$6,300 today, or spread it out over 50 years at \$126 a year at zero interest. Which should I do?

Duh. If I actually had that money, I would invest it at interest, while I pay off the loan at zero interest, so that in 50 years the loan would be paid off and I would have another \$6,300.

In fact, the cash price would just about have to be half that to entice me to pay it off at the beginning.

In other words, an expense spread evenly over 50 years is only half the cost of the same expense demanded immediately, because of interest. If you don't have it to pay immediately, as is the case with Uncle Sam, not having to pay it saves you having to borrow for it at interest.

Wikipedia gave the example of the lottery. If you win \$6.3 million, you have the choice of receiving \$315,000 a year for 20 years, or about \$3.5 million now, which is the Net Present Value (NPV) of \$6.3 million paid out over 20 years.

Businesses use NPV calculations routinely to decide whether the profit from investing in a product or factory will be as much as the profit from investing it in stocks or bonds.

Reverse age discrimination?

5-B We all age.

The higher number of children tends to raise governmental costs among unlawful immigrant households. (Both lawful and

unlawful children in unlawful immigrant households are eligible for public education, and the large number of children who were born in the U.S. are also eligible for means-tested welfare benefits such as food stamps, Medicaid, and Children's Health Insurance Program benefits.) – [Fiscal Cost](#)... Rector and Richwine, page 4

Is Rector saying citizens are cheaper for taxpayers than immigrants because they are older? If that is his point, I wonder if Rector has done any research to explore the possibility that citizens might previously have been younger? Or that immigrants might, eventually, become older?

Damned if you do, damned if you don't:

13 year benefit delay a "ploy"

5-C Some thanks!

You would think Rector would say "thank you" when the Senate plans to delay eligibility of immigrants for benefits 13 years. But no, he calls it a sinister plot! A "ploy" to deceive us all!

Postponing the date when amnesty recipients would receive welfare and Obamacare is **important politically**, however, because it **hides the real costs** of amnesty during the all-important 10-year "budget window" employed by the Congressional Budget Office (CBO). **Concealing** the actual costs of legislation by delaying program expansion until after the end of the CBO 10-year budget window is a **time-worn legislative trick in Washington**. This **budgetary ploy** can be very effective in **deluding both politicians and the public** about the actual costs of legislation. – [Fiscal Cost](#)... Rector and Richwine, page 23

Wow! This guy is hard to please!

First, Rector's approach "conceals the actual costs" to our economic future of numerical immigration restrictions, by counting only the ratio of benefits received to taxes paid (while counting citizens as immigrants) and not counting the boost to our economy as a whole.

Second, a delay in allowing benefits to immigrants is what Rector himself wants. He wants a longer delay, maybe 130 years, we may guess, but he wants at least *that long* a delay, *and he doesn't accuse himself of supporting a "budgetary ploy" for wanting it.*

Third, it is what *I* want too, and immigrants *should* want it too, because common sense requires it. For citizens, it is another layer of insulation against immigrants coming here motivated by free handouts. For immigrants, it provides them evidence to refute prejudiced critics who attribute such motives to them.

They should also want it because to the extent more immigration costs taxpayers nothing, there can be no legitimate reason to restrict the families of immigrants from joining them here.

They should also want it because they don't need it. They can help each other more efficiently than government can help them, and become an example to citizens, shaming citizens for caring so little for each other as to make wasteful government welfare needed.

What Rector wants, that he said before, was for the CBO to count for longer than 10 years, ignoring the fact that they do, and ignoring the fact that looking beyond 10 years warrants as rough an estimate as asking the weatherman to tell you how many inches it will snow a month from now.

When amnesty legislation is rolled out in Congress, the public should expect to see this strategy of deception in full force. Nearly all fiscal discussion in Congress and the press will focus on the deliberately low temporary costs during the interim phase. The far more significant longer-term costs will be largely ignored. No politician who is serious about government spending and deficits should promote this deceptive budgetary gimmick, and the public should not be fooled by it.

In contrast to old age benefits, Social Security disability, survivor's benefits, and related Medicare are available well before retirement age. Any amnesty law would make former unlawful immigrants and their kin eligible for these benefits. For

example, a worker who had five years of credited employment would receive disability benefits if he became unable to work. Ten years of credited employment would make a worker's family eligible for survivor benefits upon the worker's death.
– [Fiscal Cost](#)... Rector and Richwine, p. 25

Double wow!

Deportation costs ignored

5-D Rector's tab for "amnesty" ignores the cost of the alternative (the status quo) which comes out to \$18,000 per deportee, plus all the jobs citizens lose from E-verify errors tolerated to achieve "self deportation".

"The government spends nearly \$18,000 per illegal immigrant apprehension while the economic distortions caused by forcing millions of consumers, renters, and workers out of the U.S. would adversely affect income and profitability.[18] Instead of arguing against low-skill immigration, Mr. Rector should instead suggest reforms that would, in the words of Cato's late Chairman Bill Niskanen, 'build a wall around the welfare state, not around the country.' [26]" - April 4, 2013, Alex [Nowrasteh](#), *Heritage immigration study fatally flawed*.

A huge future cost under the general heading of "deportation", not counted in the \$18,000, is the national E-verify mandate considered essential by restrictionists to achieve "self-deportation" by "turning off the job magnet".

Alex Nowrasteh and Jim Harper published "[Checking E-Verify](#)" July 7, 2015. It is a very thorough study that explains how E-verify is supposed to work, why it doesn't, its history, the incentives it creates for higher and higher quality forged documents, the incentives its errors and costly process for correcting them create for employers to ignore the system, its failure to reduce the "job magnet" by more than a few percent, the impossibility of determining how many businesses use it which are required by law to do so, the bureaucratic jungle of correcting

errors, the job loss for citizens, the problems with legislative and other solutions, the costs to taxpayers, employers, and employees, and its path to a National ID incorporating photos of every citizen which once in place would be used for multiple federal purposes.

On July 16, Jeremy [Beck](#) of NumbersUSA tried to refute Nowrasteh's study, except that he didn't exactly dispute Nowrasteh's figures so much as he said they were not a problem.

Beck complains that "the most provocative parts of the study are couched in predictions for the future, not analysis of the past or present." This is a ridiculous mischaracterization, since Nowrasteh's basis for concerns for the future was his analysis of present disasters, and he does not simplistically project current problems into the future but discusses factors that could affect that projection.

For an article attacking Nowrasteh's "Faulty data and logic" (part of Beck's headline), it is remarkable that Beck actually does not dispute Nowrasteh's data! He even agrees that correcting E-verify errors is a "tedious process"! But he says that "tedious process" is really a blessing for citizens who must suffer it!

These errors are with SSA and/or DHS - not E-Verify - and they are better corrected sooner rather than later lest the person encounter additional problems with their records down th [sic] road..... It may be a "tedious process" as Nowrasteh and Harper claim, but it is one that benefits the new hire.

Does Beck have some point in blaming E-verify on SSA and DHS? Its errors are not all SSA and DHS errors. E-verify generates fresh new errors through the data entry errors of users, and SSA and DHS errors are turned into *serious* problems by E-verify's reliance on them.

I would like to tell you what SSA problems "down th road" Beck sees for citizens without the "benefits" of losing their jobs over them, but Beck doesn't tell us what they are, and I don't want to put words in his mouth.

Worse than a SSA database with 255 million no-match errors would be a SSA database with no

errors. The fewer the errors in our government dossier, the fewer our freedoms. How has this become an obscure concept for this generation?

Beck is unclear about this connection, but possibly the “benefit” he sees to losing your job over E-verify errors is that you don’t lose it to an immigrant. The following confusing paragraph seems to mean that the jobs that citizens lose thanks to E-verify are fewer than the jobs citizens lose to immigrants, without it:

The massive employment losses predicted in the report would be another matter altogether. Barbara Jordan herself [said](#) that **immigration policy - including workplace enforcement - "must protect U.S. workers against unfair competition from foreign workers, with an appropriately higher level of protection to the most vulnerable in our society."** ...the [authors’] claim that E-Verify would put Americans out of work strikes at the emotional heart of Jordan's case for a mandatory workplace authorization system.

This is a perfectly logical conclusion, once you accept the premise of Undocumented Economists that immigrants take citizens’ jobs.

Of course, this alternate reality is the whole basis for E-verify in the first place. Once one accepts the consensus of people who cared enough about understanding the economy to make that their major in college – that is, credentialed economists, the only purpose one sees for E-verify is as a political concession to restrictionists who refuse evidence. But it is a concession that will cost citizens as much freedom as it takes from immigrants. (See section 1-G; also see “[Economists know](#) immigrants don’t take citizens’ jobs”, “Let the U.S. [tank](#) to save jobs for dropouts”, “Immigrants [did not take](#) your job”.)

I said Beck did not dispute Nowrasteh’s data. He did affirm it, above. But he questions it, below. But the basis of his challenge can’t be taken seriously:

Nowrasteh and Harper base their 180,000-job-loss figure partly on the

assumption that the error rate will go up as "new populations of workers" would be exposed to E-Verify but they do not point to a single example of a legal worker losing his or her job. **Over one hundred million E-Verify cases have been processed since 2001. If Americans were going to lose their job by the dozens (much less tens of thousands), we would have heard about it by now.** Their analysis offers no theory on why E-Verify remains so popular despite the growing calamities the authors claim American workers are experiencing.

Has Beck never been out? Stories have to be really outrageous to be “newsworthy”. Here’s a [link](#) to a few stories who made the grade, like the restaurant owner in Arizona who couldn’t hire his own daughter because of an E-verify mismatch.

Popularity? *Popularity* is Beck’s standard of whether a claim is true? Beck must believe Obama really *is* America’s savior.

Beck faults Nowrasteh/Harper for knowing “*only two ways*’ to improve E-Verify's performance”, and not the way Beck has figured out, which is that SSA should stop...

“...refusing to notify the victims and employers of the [identity theft] criminals. The Social Security Administration could close the loophole almost entirely if it would simply notify workers with more than one employer making contributions to their social security account numbers and ask them to report if they were not actually working for each of those employers. SSA, however, has a policy of not informing the victims of identity theft.”

Usually a government policy like that has some rationale for it, but Beck does not link to it or explain it so we can judge whether it makes sense. Or whether it even exists. SSA *does* send out “no match” letters to employers whenever the SSN’s on employee wage reports (I-9’s) don’t match employees’ names according to SSA records. It isn’t possible for SSA to “inform the victims of identity theft” because all SSA knows

is there is a no match, but identify theft is only one of several reasons for that:

FREQUENTLY ASKED QUESTIONS
ABOUT NAME/SOCIAL SECURITY
NUMBER “NO-MATCHES”

What is an SSA No-Match Letter?

It is a written notice issued by the Social Security Administration (SSA) to an employer, usually in response to an employee wage report, advising that the name or Social Security number (SSN) reported by the employer for one or more employees does not “match” a name or SSN combination reflected in SSA’s records. The letter cautions employers against taking any adverse employment action against a referenced employee based solely on receipt of the letter, and explicitly states that the letter makes no statement about the referenced employee’s immigration status....

There are many reasons for a no-match notice, including but not limited to: (1) an unreported name change due to marriage, divorce or naturalization; (2) input errors by SSA staff; (3) reporting errors by an employer or employee; (4) identity theft; (5) errors in reporting proper culturally based hyphenated or multiple surnames; [*for example, if you are from Sudan you have 5 names: yours, your father’s, your grandfather’s, your great grandfather’s, and your great great grandfather’s. Formal Hispanic names often list your three names followed by “de”, meaning “of”, and the names of your father and mother.]* and (6) fraud. [*A seventh reason is new workers giving their employers an easier to manage version or spelling of their foreign sounding, phonetically impossible name.*]

According to a successful [2007](#) lawsuit against the DHS, there is an “earnings suspense file” established by 20 C.F.R. 422.120 of mismatches. Then it had 255 million mismatches, and the number grows every year. 7.3 million were added in [2010](#), the last year for which

figures are available. That’s twice as many people as the U.S. has workers. SSA [assumes](#) that one fourth of those mismatches are for citizens and legal immigrants. (70 million by now?)

Can you imagine the confusion if SSA tried to contact all those people, three quarters of whom may not even exist under the name in SSA records? But Beck can’t imagine a problem:

Nowrasteh and Harper do not entertain this possibility. Nor do they offer any alternatives to E-Verify or approaches to combating illegal immigration.

They did explore many alternatives which have been proposed by Congress and others, and explained the systemic problems. Beck does not consider that the failure of everyone to find a “solution” that robs citizens of fewer freedoms than it robs immigrants of, may point to the nonexistence of any “solution”. Beck’s “solution” would merit a fuller response if it were developed; that is, if it discussed costs, projected effectiveness, and was based on research by relevant credentialed authorities.

There is an important reason people like Beck should want to “leave well enough alone”: those “earning suspense files” don’t just contain mismatch records. They contain money – the money owed to all those 280 or so million partly real people when they retire. As long as they can’t be identified, we get to spend their money, and detonation of the Social Security time bomb will be delayed a little. The more successful Beck is in tracking them down, the more fiscal danger we are in.

Beck next devolves to personal attacks, accusing Nowrasteh/Harper of failing to solve his problem because they are just against immigration enforcement. He quotes them out of context, where they give one of many reasons for the “weakness” of “enforcement efforts”. Beck takes their *acknowledgment* of weakness for proof of their *desire* for enforcement weakness.

Nowrasteh/Harper’s study is very thorough and gives a clear view of E-verify’s operation, its problems, its negative incentives, and the practical impossibility, unacceptable cost, and danger to freedom of serious proposed solutions. I hereby decree that it is required reading for anyone who

wants to understand E-verify.

Their study focuses on E-verify's impracticality in reaching its stated goal, without challenging its goal itself. It says only a little about its threat to our freedoms. Therefore, your required reading list needs to include [Wired](#) magazine, [Breitbart.com](#), the liberal [ACLU](#), and the conservative [Rutherford Institute](#). Also George Orwell's *1984*, and Revelation 13 about the [Mark of the Beast](#). Learn about [God's view](#) of governments able to track their citizens, by understanding Moses' census in which everyone gave the same amount of money and only the money was counted, "as a ransom for your souls, that no pestilence fall upon you", and David's census in which 90,000 died from pestilence.

More Nowrasteh points

5-E Alex Nowrasteh encouraged me, criticized Rector, and wrote a summary of scores of economics studies in 2014.

Before I come to more points Alex Nowrasteh has published relevant to Rector's study, I need to share the high praise he had for this study. I hope it won't be taken for boasting, even if it is. But you see, I have no other credentials. My college degree was in trumpet playing. I am an Undocumented Economist. I have no more economics credentials than Rector has.

Until now.

Nowrasteh wrote to me,

Dave, Because of the length of this, I read it quickly this morning. I found nothing in it to be disagreeable. However, I did not see anything about discount rates. It might be worth adding a few paragraphs to explain why the headline \$6.3 trillion over 50 years doesn't even make any sense. When I raised this criticism to House GOP members, they were shocked that Rector hadn't included a discount rate. Here is a quick piece about them: <http://keithhennessy.com/2013/05/09/heritage-immigration-study-problems/>

Other than that small omission, your piece is the best summation of the debate over Rector's study & its flaws that I have

yet seen.

Alex

I owe Alex this qualification: I have added some things to this report since the copy I sent him, which he therefore had not seen. Like the section on discounts, which he recommended, and this section about his note to me. Also a section on E-verify (5-D), "No wage growth is assumed" (1-H), more quotes from Nowrasteh's 2014 study later in this section, and Appendix C's Quotes from God. And a few other things I don't remember. And I may edit this further in the future. So if you find something here you can't imagine any economist would approve, perhaps none did.

But as aware as I am of my Undocumented status, I needed Alex's reaction.

Even Jesus tested his theories against the world's experts in his area of concern before He "went public", Luke 2:41-51, as an example for us. We need to double check the validity of our ideas by expressing them to others and learning from what they point out to us that we might have missed. And if we really want to be sure, we will seek feedback from top experts. Especially experts who oppose our theories, as Jesus tested Himself by the Pharisees.

Ecclesiastes 7:5 It is better to hear the rebuke of the wise, than for a man to hear the song of fools.

Proverbs 9:8 Reprove not a scorner, lest he hate thee: rebuke a wise man, and he will love thee.

Proverbs 13:1 A wise son heareth his father's instruction: but a scorner heareth not rebuke.

Obviously we can't believe everything anyone tells us, but we can see how well our ideas survive a discussion. We can notice whether criticism fairly addresses our reasoning and evidence; for example if our ideological opponents have to mischaracterize our positions in order to credibly ridicule them, that should be very encouraging.

We need this kind of validation to encourage ourselves or we will never be able to continue

pouring out our hearts and resources and selves for others. We can't do that without a reasonable degree of confidence that what we do is right, and what we say is true.

People who actually cared enough about understanding economics to make that their major in college can put that fact in their studies. Alex gave me something to put in my study. And he has given me encouragement enough to keep pouring myself out for a few more years.

Now here are some further points from Nowrasteh:

On April 4, 2013, Alex Nowrasteh, learning that Rector was about to update his 2007 immigration economics study, [listed facts](#) ignored in the 2007 study as a plea to Rector to take them into account in his update. (He released his update May 6.) My study closes with a few of these facts which, according to my understanding, Rector continues to ignore. He pointed out:

“In the wake of the 1986 Reagan amnesty, wages for legalized immigrants increased – sometimes by as much as 15 percent – because legal workers are more productive and can command higher wages than illegal workers.

“....the ‘chilling effect’ whereby immigrants are afraid of using welfare reduces their usage of it, and immigrants use less welfare across the board.[\[12\]](#) 100 native-born adults eligible for Medicaid will cost the taxpayers about \$98,000 a year. A comparable number of poor non-citizen immigrants cost approximately \$57,000 a year – a 42 percent lower bill than for natives. For children, citizens cost \$67,000 and non-citizens cost \$22,700 a year – a whopping 66 percent lower cost.

The following [excerpts](#) are from Nowrasteh’s *The Fiscal Impact of Immigration*, July 23, 2014:

In their static accounting analysis, Lee and Miller found that the net fiscal contribution of immigrants and their concurrent descendants in 1994 was a positive \$23.5 billion for state and federal governments combined (Lee and Miller 1998: 198). That figure included a \$27.4 billion net deficit produced by immigrants at the state and local government levels and a \$50.9 billion net

surplus produced in the federal government (Lee and Miller 1998: 198) (Page 16)

The Organization for Economic Cooperation and Development (OECD) produced a static accounting analysis of households in the United States and other OECD countries using data pooled from the years 2007-2009 (OECD 2013: 146-147). The net fiscal contribution of a household with two U.S.-born Americans at the head was a positive \$8,533.96. The same amount for a household headed by two immigrants was a positive \$8,274.01. For mixed households, with one immigrant and one U.S.-born American as the heads, the net fiscal contribution was \$17,157.63. This analysis excluded immigrants who returned to their home countries and immigrants who had been residing in the United States for less than a year (OECD 2013: 147)The OECD study concludes by stating that the fiscal impact of immigration is neither a fiscal burden nor so much of a fiscal benefit that immigration should be decided on these grounds (Page 17)

Static analyses generally find that immigration increases net tax revenue to the federal government, but can have a slightly negative or positive impact on state and local governments. (Page 21)

The Congressional Budget Office (See Congressional Budget Office June 2013a and Congressional Budget Office June 2013b) ran two models of the impact of the proposed U.S. Senate 2013 immigration reform bill (S. 744). The first was a less dynamic model that assumed minimal economic impact of immigration besides the addition of more workers. That model assumed that if S. 744 became law, it would lower the projected federal government deficit by \$875 billion by the year 2033 (Congressional Budget Office June 2013a: 2-3). In the model, the CBO found a large increase in federal tax revenue, but very slight increase in expenditure, largely because immigrants would have little access to welfare benefits. The second model run by the CBO was an enhanced Solow model—a more dynamic model—and the first instance of one being used by the CBO in estimating the budgetary impact of legislation. This second model assumed that S. 744 will increase GDP by adding workers, affecting the earnings of

American workers, boosting total factor productivity (TFP), and stimulating an increase in investment (Congressional Budget Office June 2013b: 2-3). Taking all of those dynamic economic factors into account, the CBO found that S. 744 would boost GDP by 5.1 percent to 5.7 percent over the baseline by 2033 (Congressional Budget Office June 2013b:14). This extra GDP growth was estimated to lower the total federal deficit by \$1.197 trillion by 2033, a \$300 billion greater reduction than under the less-dynamic version of the CBO's model.

Following on the heels of the CBO, the Bipartisan Policy Center (BPC) used a similarly enhanced Solow model. As opposed to the CBO's projections, the BPC estimates assumed that a higher percentage of the legalized unauthorized immigrants would eventually become citizens and thus eligible for government benefits. BPC also did not assume that S. 744 would lead to an increase in TFP. Regardless of those changes, the BPC's findings were similar to the CBO's. BPC found that S. 744 would decrease net government deficit by \$180 billion in the first 10 years after passage and further decrease federal deficit by \$990 billion in the second decade while causing similar increases in GDP (Bipartisan Policy Center 2013: 7).

More interestingly, BPC ran an alternative "attrition through enforcement" projection that was successful at removing more unauthorized immigrants, a strategy desired by many immigration restrictionists. That scenario resulted in an increased federal deficit of \$800 billion and a drop in GDP of 5.7 percent compared to the baseline by 2033 (Bipartisan Policy Center 2013: 23). BPC ran numerous varying scenarios and the only one that produced more deficits relative to the baseline was "attrition through enforcement." (Pages 24-25)

Their model showed that the biggest gains for the U.S. economy and net-tax revenue came from the generations of the descendants of immigrants born in the United States (Chojnicki et al. 2011: 323). The low-skilled first generation consumed more welfare than they paid in taxes, but their descendants more than compensated for that initial deficit by producing a more positive dependency ratio for entitlement programs,

leading to a slightly positive contribution to the federal budget in the long run (Chojnicki et al. 2011: 323). (Page 25)

Many CGE models also find that immigrants slightly diminish net tax revenue for state and local governments, but that the federal net tax revenue increase is larger than the state and local decrease. The CGE models used by the CBO and BPC forecast the net budgetary impact of the proposed Senate immigration reform bill in 2013. They found that immigrants would have decreased deficits by about \$1.2 trillion over twenty years if that bill had become law. Storesletten (2000) found that highly skilled immigrants pay far more in tax revenue than they consume in benefits, while low and moderately-skilled immigrants consume more in benefits than they pay in taxes. Lee and Miller (2000) found that the federal government always sees a fiscal benefit from immigration, while state and local governments always see a slight loss, but the gain to the federal government is *always* bigger than the loss to state and local governments. Historically, removing the fiscal impact of immigrants from the last half of the 20th century would have increased the budget deficit over that time period (Chojnicki et al., 2011). (Page 25-26)

If the entire fiscal imbalance is placed on future generations, then the presence of new immigrants reduces the fiscal burden borne by natives by spreading the debt. The more irresponsible the government's fiscal policy, the more positive impact immigrants have on reducing long run debt. (Page 28)

The immigrant age of arrival adds a confounding factor that is important in gauging the net fiscal impact (Access Economic Pty Limited 2008: 7-10). The age of arrival that minimizes the amount of public schooling that the immigrant consumes in the source country, but maximizes the length of his working life is more likely to make a positive fiscal contribution. A younger immigrant worker with only a high school degree who immigrates at the age of 18 makes a positive contribution, in present value, to public finances according to Cully (2012: 4). Cully (2012) goes into greater detail, comparing the present value of fiscal contribution at various ages of arrival and immigrant skill level, but many

ambiguities exist. For instance, a 15 year old refugee and a 40 year old skilled worker are difficult to compare (Cully 2012: 7). The refugee has his whole working life ahead of him but the skilled worker will likely have a higher income over the remaining years of his work life. (Page 30)

The descendants of immigrants, when they are included, make a large and positive net fiscal contribution under net transfer models. The National Research Council's net transfer analysis (1997: 297-362) analyzed the net present value fiscal impact of the immigrants themselves as well as the immigrants and their descendants for all levels of government in the United States. They found that a typical immigrant imposes a net fiscal cost of \$3,000 himself but the descendants of the immigrant have a positive net fiscal contribution of \$83,000 in present value, producing an \$80,000 fiscal surplus (National Research Council 1997: 334). Subsequent generations more than make up for the net fiscal cost of the first generation. (Page 31)

The economic benefits of immigration [the benefits for all voters] are unambiguous and large, but the fiscal effects [the benefits for tax collectors] are dependent upon the specifics of government policy over a long time period, which means that the net fiscal impact of immigration could be negative while the economic benefit is simultaneously positive. Looking at the results of all of these studies, the fiscal impacts of immigration are mostly positive, but they are all relatively small. They are rarely more than 1 percent of GDP in dynamic models (Rowthorn 2008: 568). Even dramatic changes in the level of immigration have small effects on government budgets and deficits (Auerbach and Oreopoulos 2000: 151). Besides the net present value of the individual immigrant or group fiscal contribution, immigrant-caused deficits or surpluses could also be represented as a percentage of future economic growth or projected budget deficits. Regardless of those details and nuances, there is no strong fiscal case for or against sustained large-scale immigration.

The enormous economic gains from immigration described in Chapter 1 indicate that **an open borders policy of the type proposed in**

Chapter 7 is not likely to lead to large government deficits or surpluses. Tax revenue would certainly increase dramatically under an open borders policy, but so would government expenditures on education, roads, and other congestible government-supplied goods. There is no reason to suspect that such an increase in tax revenue and government spending would not continue under a radically liberalized immigration policy.

This chapter leaves aside the wisdom of judging the benefits of immigration based on the immigrant's fiscal impact largely because the fiscal impact is so small. **A worldview that seeks to judge whether immigrants are beneficial based on their fiscal impact, where the chief value of an additional American is determined by the size of their net-tax contribution, is fundamentally flawed and a testament to how dehumanizing a large welfare state can be.** The fiscal impact of immigration is neither a proper evaluating metric nor is it a particularly meaningful one upon which to base support for or opposition to immigration. (Page 35)

Appendix 1: Quotes from “The New Americans”

The impossibility of getting an honest picture of immigration impact from a purely “static” study – some differences between The New Americans, and Rector who says he follows the New Americans.

The New American’s priority is the “economic well being” of citizens which is measured by their “after-tax income”, p. 257, not just how much taxes they owe which is Rector’s sole calculation. Accordingly the incomes of citizens are compared with the NAFI (Net Annual Fiscal Impact) on citizens by immigrants. This allows the authors to show that the NAFI is -0.4% of citizens’ income.

The New Americans also clarifies that this slightly negative impact was true, in 1997, in the two high-immigration states it considered, California and New Jersey; and that California has a particularly generous welfare system. Citizens of states with lower immigration would have a lower negative, if not a positive, since the NAFI at the federal level is positive; it is local and state expenses, especially for public education, that bring the NAFI down.

The New Americans clarifies that “fiscal impact” counts only the ratio of taxes directly paid vs. benefits received for a given year. It does *not* count the reduction of taxes for citizens because wages rise for citizens, which is one way more taxes are collected. It does *not* count the general growth of the economy that immigration brings, or the higher rate of new inventions.

Rector, by contrast, gives no information about the “economic well being” of citizens; he does not report their income, either before or after taxes. He thus avoids a comparison between income and any impact of immigrants on native’s taxes. He does not distinguish between high immigration states with generous state welfare programs and other states. He does not list federal and state/local receipts separately so we can see the benefit to federal receipts.

He makes excuses for ignoring the general economic impact of immigration, stating without

evidence that it would just add to the negativity.

Current economic evidence suggests that roadways, police protection, and fire protection may allow some sharing in their provision. If so, the estimates here will overstate the true fiscal burden imposed by immigrants on residents and should be viewed as conservative. P. 274

On average, these spending and revenue differences between native and immigrant-headed families are relatively small, however. P. 277

When providing local services, the average native household [in California] contributes a fiscal surplus of \$283 per household to fund a fiscal deficit of \$831 per immigrant-headed household (see [Table 6.3](#)).³⁴ When providing state services, the average native household contributes a fiscal surplus of \$895 per household to cover an average negative fiscal balance of \$2,632 per immigrant household. P. 279

Immigrant households in New Jersey impose a total fiscal burden on native residents of -\$232 per household through the state and local sectors, about four-tenths of 1 percent of a typical native family's income (.0037 = \$232/\$61,966; see [Table 6.1](#)). Immigrant households do make a positive contribution to the fiscal position of native households through the federal budget, however. ... the net fiscal contribution of a New Jersey immigrant family, adjusted for defense spending, equals \$520 per immigrant household. P. 286

California has relatively more generous welfare programs [than other states]... P. 287

In 1994-95, there were 9,156,000 immigrant-headed households in the United States.⁴⁷ The aggregate net annual

fiscal impact imposed on native households by all immigrant-headed households in the United States is therefore estimated to range from -\$14.77 billion (New Jersey budgets) to perhaps as high as -\$20.16 billion (California budgets) (see [Table 6.5](#), panel B). [“Fiscal impact” seems to mean taxes paid/benefits received only.] Sharing this aggregate burden over all 89,019,000 native households in the United States in 1994-95 would imply a net annual fiscal impact per native household ranging from -\$166 (New Jersey budgets) to perhaps as high as -\$226 (California budgets). This is an annual fiscal burden imposed on a typical native U.S. household by the current stock of immigrant-headed households now in the United States. The burden ranges from about four-tenths of 1 percent to half of 1 percent of the average household income of \$45,000 in 1996.[48](#) P. 288

It is important to stress what the NAFI estimates here represent. They *are* estimates of the annual fiscal burdens imposed on native households by current immigrant-headed households in the early 1990s. They *are not* estimates of the annual costs we could expect in all future years from admitting new immigrant families, and they *are not* estimates of the annual fiscal costs today of past immigration policies. To estimate the future fiscal costs, or benefits, of immigration, **one must allow for today's fiscally costly young immigrants to leave school, take jobs, and contribute taxes; this requires a dynamic fiscal accounting.** To estimate the annual cost today of past immigration policies also requires a dynamic analysis, one that looks back in time. **Children born to immigrants in the United States who are now living on their own and earning incomes must be included** in this historical evaluation. These contributing, second-generation children are here because of past immigration policies; they

are not, however, included in the average fiscal balance for immigrant-headed households calculated here, because these children no longer live at home. **Again, only a dynamic analysis can accurately account for the contributions of these individuals.** [Chapter 7](#) outlines one approach to dynamic fiscal accounting for immigration. P. 289

The estimates of the net annual fiscal impact provided in [Tables 6.2](#) to [6.7](#) provide a useful snapshot of the current fiscal consequences of today's immigrant-headed households on native residents in the United States. But also like a snapshot, these annual estimates cannot be used to criticize the past nor to predict the future. A simplistic use of the net annual fiscal impacts estimated here will be misleading for at least two reasons. First, **both the native and current immigrant populations and the populations of newly admitted immigrants grow over time.** The annual fiscal impact estimates provided here must be adjusted for these changing demographics if we are to accurately judge the fiscal burdens or benefits today of prior policies, or to predict the future burdens or benefits of today's choices. Second, annual estimates take people as they are today, but in the future native residents, current immigrants, and newly admitted immigrants will be people who differ both demographically and economically; their fiscal contributions or fiscal burdens will be different too. **Children who consume services and pay no taxes today become contributing taxpayers tomorrow. Today's contributing adults will retire in the future and become net beneficiaries of government programs.** Estimates of the current net annual fiscal impact of today's immigrant-headed households are not likely to give us very accurate information about the fiscal impact of today's immigrants 20 or more years from now.

The analysis here of the annual fiscal impact of today's immigrant households provides a starting point for understanding the future fiscal consequences of immigration. **Predictions as to the long-term fiscal consequences of current or new immigration policies, however, must be based on a truly dynamic analysis of the fiscal incidence of immigration.** Such a study must project the demographic and economic futures of current residents and new immigrants and the future paths of government spending, taxes, and debt policies. Only then will we have an honest representation of the long-run consequences of national immigration policies. Such estimates are provided in [Chapter 7](#). P. 294

Appendix 2: Quotes from CBO

These quotes are from the more [dynamic](#) of the two CBO studies published about S744 on the same day in 2013.

Page 2: The analysis here provides an estimate of the incremental budgetary effects that would arise from the economic outcomes that are not reflected in the cost estimate. [The other CBO study published on the same day, which was less “dynamic”.] Specifically, it includes some additional budgetary effects stemming from changes in the productivity of labor and capital, the income earned by capital, the rate of return on capital (and therefore the interest rates on government debt), and the differences in wages for workers with different skills.

Page 2: Taking into account a limited set of economic effects, the cost estimate [the other CBO study] shows that changes in direct spending and revenues under the legislation would decrease federal budget deficits by \$197 billion over the 2014– 2023 period and by roughly \$700 billion over the 2024– 2033 period. The cost estimate also shows that implementing the legislation would result in net discretionary costs of \$22 billion over the 2014– 2023 period and \$20 billion to \$25 billion over the 2024– 2033 period....

Page 3: How Would the Legislation Affect the Economy? S. 744 would boost economic output. Taking account of all economic effects (including those reflected in the cost estimate), the bill would increase real (inflation-adjusted) GDP relative to the amount CBO projects under current law by 3.3 percent in 2023 and by 5.4 percent in 2033, according to CBO’s central estimates.

Compared with GDP, gross national product (GNP) per capita accounts for the effect on incomes of international capital flows and adjusts for the number of people in the country. Relative to what would occur under current law, S. 744 would lower per capita GNP by 0.7 percent in 2023 and raise it by 0.2 percent in 2033, according to CBO’s central estimates. Per capita GNP would be less than 1 percent lower than under current law through 2031 because the increase in the population would be greater, proportionately, than the increase in output; after 2031, however, the opposite would be true.

CBO’s central estimates also show that average wages for the entire labor force would be 0.1 percent *lower* in 2023 and 0.5 percent *higher* in 2033 under the legislation than under current law. Average wages would be slightly lower than under current law through 2024, primarily because the amount of capital available to workers would not increase as rapidly as the number of workers and because the new workers would be less skilled and have lower wages, on average, than the labor force under current law. However, the rate of return on capital would be higher under the legislation than under current law throughout the next two decades.

The estimated reductions in average wages and per capita GNP for much of the next two decades do not necessarily imply that current U.S. residents would be worse off, on average, under the legislation than they would be under current law. Both of those figures represent differences between the averages for *all* U.S. residents under the legislation—including both the people who would be residents under current law and the additional people who would come to the country under the legislation...

Page 4: CBO and JCT expect that new immigrants of working age would participate in

the labor force at a higher rate, on average, than other people in that age range in the United States. Relative to CBO's projections under current law, enacting the bill would increase the size of the labor force by about 6 million (about 3½ percent) in 2023 and by about 9 million (about 5 percent) in 2033, CBO and JCT estimate. **Employment would increase as the labor force expanded, because the additional population would add to demand for goods and services and, in turn, to the demand for labor.** However, temporary imbalances in the skills and occupations demanded and supplied in the labor market, as well as other factors, would cause the unemployment rate to be slightly higher for several years than projected under current law.

Page 5: The legislation would particularly increase the number of workers with lower or higher skills but would have less effect on the number of workers with average skills. As a result, the wages of lower- and higher-skilled workers would tend to be pushed downward slightly (by less than ½ percent) relative to the wages of workers with average skills....Over time, as capital investment increased and the amount of capital per worker returned approximately to what it would have been under current law— and productivity improved as well— average wages would be higher than under current law.

Page 5: **Productivity.** In CBO's view, enactment of S. 744 would lead to slightly higher productivity of both labor and capital because the increase in immigration— particularly of highly skilled immigrants— would tend to generate additional technological advancements, such as new inventions and improvements in production processes.

Page 6: **Average Wages**

If S. 744 was enacted, average wages would be lower by about 0.1 percent in 2023 and higher by about 0.5 percent in 2033 than projected under current law, according to CBO's central estimates. Wages would be lower than under current law through 2024. That small initial reduction in average wages would occur primarily because the amount of capital available to workers would not increase as rapidly as the number of workers and because the new workers would be less skilled and have lower wages, on average, than the

workers under current law.

Page 7: CBO and JCT expect that a greater number of immigrants with lower skills than with higher skills would be added to the workforce, slightly pushing down the average wage for the labor force as a whole, other things being equal.

However, CBO and JCT expect that currently unauthorized workers who would obtain legal status under S. 744 would see an increase in their average wages. The bill's effect on revenues as reported in the cost estimate incorporates an increase in average wages of 12 percent for unauthorized workers who attain legal residency. Their wages would rise both because such workers would have a stronger bargaining position with their employers and because they would be able to find jobs that better fit their skills and education and thus become more productive. (The portion of the increase in average wages attributable to higher labor productivity is reflected in an increase in GDP; that attributable to an improved bargaining position is reflected in a decrease in profits.)

Page 8: Specifically, CBO estimates that, by 2033, S. 744 would lead to a decline of 0.3 percent in the *relative* wages for workers in the lowest quintile (the bottom fifth) of the skill distribution— typically, workers who did not finish high school and some portion of high school graduates— and for workers in the highest quintile— typically, college graduates and workers with postgraduate degrees. In contrast, CBO estimates that average wages for workers in the middle three quintiles (typically, a portion of high school and college graduates and workers with some postsecondary education) would increase by 0.5 percent relative to overall average wages.

It bears emphasizing that those figures are estimated effects on the *distribution* of wages and not on the overall level of wages.

Page 11: **Effects on Capital Investment and Interest Rates**

If S. 744 was enacted, the capital stock would be larger than under current law— by about 2 percent in 2023 and by about 5 percent in 2033, according to CBO's central estimates.

Appendix 3: Quotes from God

Over 200 verses talk about immigration, but Bible studies about it rarely address 20, and commonly present 2. Here you will find many addressed, and links to the rest. Restrictionist Bible claims are addressed. A seldom noticed feature of 2 Chronicles 7:14 is a warning that it is not what Bible-hating relativist and atheist pagan Democrats do to our nation that determines whether our nation will survive, but what we Bible-believing Christian conservative Republican voters do with positions that God hates.

What drives me to expose errors like Rector's is that they challenge Jesus' intelligence, Who said

Luke 6:38 Give, and it shall be given unto you; ... For with the same measure that ye mete withal it shall be measured to you again.

Rector and Jesus can't both be right. Rector and his dozen or so Undocumented Economist researchers say it is only by *taking* away freedom and economic opportunity from 10 million people that we can regain our prosperity. Jesus says it is precisely to the extent we *give* away economic opportunity to others that we will have it ourselves.

2 Chronicles 7:14 If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land.

Abominations like sodomy and abortion are what is bringing America under judgment, we tell each other. But this verse says it is the sins of "my people, which are called by my name" which are the cancer of our land. There may be plenty of Bible believing Christians who vote in support of these two abominations, and there is more all of us could have done to stop them, but they are primarily the sins of Bible-hating Democrats who want God as far out of their consciousness as they

can get Him. 2 Chronicles 7:14 says it is *our* sins, upon which the survival of our nation hangs.

You say, "I can't think of any national abominations that *we* are primarily responsible for." Well, great! Then our nation is safe!

Except for this tiny little fact that I wonder if we should be concerned about: it is Bible believing conservative Christian Republican Restrictionists (BBCRRs) who most stridently oppose "taking in the stranger", which Matthew 25:39-46 warns leads to Hell, and to accomplish it, they demand fast-tracking Mark-of-the-Beast technology (E-verify is a very advanced stage of this technology). If everyone goes to Hell who *takes* the Mark, as Revelation 14 says, when the cost of not taking it is having your head slowly cut off, can those who *vote to implement it* be safe?

Matthew 25 warns that those who won't "take in" immigrants will go to the Other Place.

...Depart from me, ye cursed, into everlasting fire, prepared for the devil and his angels: ...for...I was a stranger [Gr: immigrant], and ye took me not in: ... Inasmuch as ye did it not to one of the least of these, ye did it not to me. ... Mat 25:41, 43, 45; (Other warnings of God's judgment for having no mercy for immigrants: De 10:17-19, 27:19, 28:15, 43-44, Jer 7:3-7, 22:3-9, Eze 22:29-31, Zec 7:9-14)

"What? Does God make us choose between the Hell on Earth of our great nation destroyed by immigration, and Hell?"

No, not if you can believe Luke 6:38. But if you are willing to destroy our nation and your own economic opportunity if that is what it takes to deprive immigrants of the freedoms and opportunities you enjoy, maybe Heaven, with all that mushy love, is not where you will be most comfortable.

This passage doesn't apply only to who we as individuals welcome into our individual homes. It is a broad statement about Jesus' love for those we esteem least, which equally applies to those denied legal entrance into our land by laws which we as individual Christian voters require of our elected representatives. If the extent to which we

“take in” “strangers” is counted by God as the extent to which we “take in” Jesus, as this verse says, God must count the Christian voters supporting today’s restrictions as “taking in” about 2% of Jesus. (The percentage of those trying to come here whom we allow to come legally is less than 2%.)

Our quotas on how many immigrants may “get in line” for liberty are, spiritually, quotas on our willingness to love. They do not meet God’s standards. If our hearts choke on loving more than 2% of immigrants enough to share our land with them, *at no cost to our nation upon which economists have any consensus*, and even when our nation teeters on economic collapse which can only be prevented by massive additional legal immigration, how comfortable will we be in Heaven, where everyone there will have been given “amnesty”, without even having to pay a fine or suffer a “touchback” to the Other Place?

Brannon Howse [says](#)

“They’re using Matthew 25 out of context to say that we need to do this. ‘Welcome the stranger in the name of Jesus’. Well, someone tell Rev. Sam Rodriguez ‘that has to do with dividing up the sheep from the goats during the millennial kingdom, and how Christians minister to other fellow Christians, not immigration reform!’” (June 14, 2013)

Isn’t it a wee dangerous to sidestep any broad command of Jesus by saying “that just applies to the OTHER guy”?

“Stranger” in the Bible means an outsider. In most Bible contexts it means an outsider to our nation; that is, an immigrant. In this context, it means whoever we are least inclined to welcome into our lives. In America today, that certainly includes immigrants.

Fortunately America’s Founders saw the value of discerning the core principles of Bible verses and applying them appropriately *wherever* they fit, in the spirit of Matthew 9:14-17, or we would not enjoy the greatest freedom in the world today.

Restrictionists like Howse quote verses about [borders](#) as if they cancel the verses telling us who

we should let across them.

Chapter Two of James Hoffmeier’s book, “The Immigration Crisis”, a favorite of restrictionists, lists the borders described in the Bible, and tells of the pagan nations which sent their armies against Israel rather than allow Israel to cross their borders in peace, even after Moses offered to pay them for the privilege. Hoffmeier actually said this proves nations have a God-recognized right to defend their borders as they see fit! He concludes on page 57:

National borders and personal property were recognized and respected, even in the case of travelers who wanted to pass through (e.g., Moses and the Israelites were denied passage through the territory of Edom).

The fact that the Bible *describes* pagans not allowing God’s people to cross their borders does not indicate God’s *approval* of pagans keeping God’s people out! How *Moses* treated *foreigners* is a safer model for us, than how *foreigners* treated *Moses*! When Israel’s enemies “defended their borders” in violation of God’s Will, attacking without provocation, just as we send armed agents against immigrants without provocation, (that is, not for anything for which a citizen would be punished), God wiped them out.

Rev 14:9 ..If any man worship the beast and his image, and receive his mark in his forehead, or in his hand, 10 The same shall drink of the wine of the wrath of God..

Exodus 30:12 When thou takest [a census] then shall they give every man a ransom for his soul...that there be no plague among them, ...13 ...they shall give [a week’s salary]. Numbers 1:4 And [counting]...there shall be a man of every tribe; ...

1 Chronicles 21:1 And Satan...provoked David to number Israel. 2 Samuel 24:8 So when they had gone through all the land, they came to Jerusalem at the end of nine months and twenty days. 1 Chronicles 21:14 So the LORD sent pestilence upon Israel..

Ezekiel 45:13 “You must give this tax to the prince: one bushel of wheat or barley for every 60

you harvest, 14 one percent of your olive oil, 15 and one sheep or goat for every 200 in your flocks in Israel. ... 17 The prince will be required to provide offerings ... (NLT)

Revelation 13-14 wasn't the first time God expressed concern about national tracking systems! God killed 70,000 with pestilence to skew the results of David's census which must have recorded names and addresses as the army scoured the land for over nine months. Perhaps God reasoned that that much of a government database would have cost even more lives. God had given Moses a money counting system that left no time to record a single name or address. (See an [article](#) about the beauty of God's system, how it could be implemented today, and a detailed comparison of E-Verify with the Mark of the Beast.)

God cares about freedom, which requires small government. Thus the courts and church combined should take no more than 10%, (Ez 44:23-24) and the federal, less than 2% of only 3 products. (Ez 45:13-15)

The Mark of the Beast is the only sin that will send everyone who takes it – no exceptions – to Hell. If that is God's judgment even when the alternative is losing your head, what judgment will befall Christians so determined not to “take in” the “stranger”, Page 7, that they vote to fast track a national tracking technology which is *already* capable of achieving all of the Beast's objectives as described in Revelation 13?

God takes this sin so seriously, that it teases Hell to ignore how many details of E-Verify fit Revelation 13, and to say “we can't know exactly what the Mark of the Beast is, so it should be judgment-safe to vote for this.” After the Mark created by Christian votes matures, will Christians then not take it? Or if the rapture comes between voting for the Mark and its maturity, will Christians who voted for it be spared by the rapture from its consequences?

More Bible studies:

General study of a dozen categories of immigration verses: [The Stranger Project](#).

A study of the [190 verses](#) that include the word “stranger”, showing how the meaning of the word varies by context.

A comprehensive [study](#) showing how the E-

Verify technology already matches Revelation's description of the Mark of the Beast, showing how God's concern was foreshadowed by God's laws regarding censuses, comparing this government monitoring with George Orwell's “1984”, and showing the prominence of this issue in the U.S. Senate which has refused to fund the Real ID Act and which let the 2007 Immigration Compromise collapse through an amendment by Iowa Senator Charles Grassley which stripped it of the Real ID Act.

A study of [the Hebrew word translated “vex”](#) in Leviticus 19:33, showing the word always alludes to involuntary removal, so that “ye shall not deport him” is a good translation of Lev 19:33.

A [tabloid](#) Dave Leach mailed to Iowa churches Christmas of 2007.

A thorough [analysis and response](#) to “Worldview Weekend” evangelist Brannon Howse, and Center for Immigration Studies staffer Stephen Steinlight. Video version. Howse's original video posted 12/15/13.

Five Bible passages on a postcard.

Videos: Youtube.com, “Biblewizard2” channel. There is a playlist of Bible studies, and of Immigration information, in addition to the playlist of The “Stranger” Project.

It is a frightening irony that it is not Bible-hating atheist relativist Democrats who most resist the introduction of verses like these into the national immigration debate, but Bible-believing conservative Christian Republican Restrictionists (BBCCRR's). In Scripture, I found guidance not only to what God wants, but to the details of an immigration policy that will work and be a [“win-win” solution](#) that is as good for citizens as for immigrants.

When I found there are more verses about immigration than exist for abortion, sodomy, or any other issue facing Americans that I can think of, and that they say the opposite of BBCCRRs, I thought my job would be easy.

I thought all I had to do was inform a few of the most strident reductionists, who are mostly Bible believing conservative Christian Republicans. Shocked at what they had overlooked in the Word of God, they would “turn from their

wicked ways”, and join me in warning others. Then would God “hear from Heaven, and...forgive [our] sin, and...heal [our] land.” Revival would break out, the Devil’s troops would be pushed back several centuries, and abominations would fade from our culture and survive only in history books.

Imagine my astonishment when I heard Congressman Steve King and talk show host Jan Mickelson, both staunch BBCCRRs, expressing annoyance that some expansionist had tried to inject Scripture unfavorable to their position into their immigration debate! Imagine my further astonishment when numerous pastors I talked to frowned at my plea for them to inform their congregations about these verses, because they rename the “darkness” into which Matthew 5:14-16 tells us to shine as “politics” which ought never be discussed in church (see Denominations 3:16).

Besides, they know many of their best tithers believe Undocumented Economists over God.

I couldn’t even persuade *Latino* pastors to proclaim publicly, on Youtube, what the Bible says about immigration! I asked several, “If someone came into your church who was hungry, you would feed him, wouldn’t you?” “Of course”, was their answer. “If someone is in your church who does not have liberty, will you help him?” Communication breaks down at that point, even though many members of such churches desperately need that help! They will help occasional individuals find lawyers to try to rescue them from our laws from Hell, but they will not engage the public to *repeal* those laws!

Faced with this resistance to God among God’s people, I began researching what human experts say. So far I have found this more productive among BBCCRRs.

John 5:43 I am come in my Father's name, and ye receive me not: if another shall come in his own name, him ye will receive.

Luke 7:30 But the Pharisees and the experts in Moses' Teachings rejected God's plan for them. They refused to be baptized. 31 "How can I describe the people who are living now? What are they like? 32 They are like children who sit in the marketplace and shout to each other, 'We

played music for you, but you didn't dance. We sang a funeral song, but you didn't cry.' 33 John the Baptizer has come neither eating bread nor drinking wine, and you say, 'There's a demon in him!' 34 The Son of Man has come eating and drinking, and you say, 'Look at him! He's a glutton and a drunk, a friend of tax collectors and sinners!' 35 "Yet, wisdom is proved right by all its results." (God’s Word translation)

People have told me that verses like Luke 6:38 apply to some *other* human relationship, which proves they don’t apply to voters’ treatment of immigrants. The fact that Jesus’ economic principle applies also in many other situations and to many other people does not keep it from applying here. It is a general principle describing how God gave man the capacity to prosper through cooperation, which gives us as powerful an incentive as anything God could give us, to love each other.

A couple of other verses confirming our potential through cooperation:

Genesis 11:6 And the LORD said, Behold, the people is one, and they have all one language; and this they begin to do: and now nothing will be restrained from them, which they have imagined to do.

Proverbs 15:22 Without counsel purposes are disappointed: but in the multitude of counsellors they are established.

We have a lot to gain, by trusting God. Including saving our nation.

But if you won’t believe God, perhaps you will believe men. But if the men you will believe are not the thousands of credentialed experts whose Proverbs 15:22 consensus is developed and documented through the medium of peer-reviewed studies, but only the dozen or so Undocumented Economists, there is something else you need to know about Heaven before you assume that is really where you want to be: the other thing that just permeates that place, besides Love, is Truth.