

**The Biden Administration Has Brought an Additional
6.7 Million Illegal Aliens into the U.S.:
Fiscal, Economic and Social Consequences**

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Summary¹

In the three years since taking office, the Biden administration has encouraged and facilitated 6.7 million inadmissible aliens to enter and take up residence in the U.S.

The impact of Biden policies can be seen by comparing the current situation with prior presidencies. In FY 2023, there were 3,201,144 encounters between inadmissible aliens and the U.S. government nationwide. In 2016, the last year of the Obama administration, there were 690,433 such encounters. This 460 percent increase in inadmissible alien encounters is a direct and obvious result of Biden policies which deliberately encourage, facilitate and reward illegal immigration.

Homeland Security Secretary Alejandro Mayorkas recently admitted to his CBP agents that some 85% of current encounters with inadmissible aliens result in the individual being released into the interior. The government's own data show that of the hundreds of thousands of inadmissible aliens encountered by Custom and Border Protection on the southwest border each month over 80 percent are being released into the U.S. interior. The policy is not so much "catch and release" as simply "greet and release".

If current policies are continued, at least 10 million additional inadmissible aliens will enter and take up residence in the U.S. over the next five years. The only Biden response to this reality is to pretend it is not happening.

Illegal aliens in the U.S. generally have low levels of education. For example, at least, 40 percent of adult illegal aliens lack a high school degree compared to 6 percent of U.S.-born adults. Because they have low education and skill levels, illegal aliens tend to have lower wages and to receive much more in government benefits and services than they pay in taxes; on average, they receive \$2.40 in benefits and services for every \$1.00 in taxes paid.

As a group, illegal aliens impose a net fiscal cost (government benefits received minus taxes paid) of \$110 billion per year on U.S. taxpayers. How much is \$110 billion? It is the equivalent of an 82 cent tax on every gallon of gas sold in the U.S. As the illegal alien population continues to grow rapidly, these costs will soar.

The left not only supports the massive ongoing wave of millions of illegal aliens into the U.S.; it also demands these illegals be given amnesty and citizenship. Amnesty would give illegals greater access to government benefits, further increasing taxpayer costs. If the current illegal alien

¹ Sources for the statements in the summary section are provided in the body of the testimony.

population were granted amnesty, the net long-term cost to taxpayers would be \$5 trillion. That is the equivalent of roughly \$50,000 for each household currently paying income tax.

Illegal immigration undermines the wages and employment of less skilled American workers, particularly black males. Research reported by the National Academy of Sciences indicates that low skill immigration may already have cut the wages and earnings of lower skill American workers by 30 percent.

The Explosive Growth of Illegal Immigration under the Biden Administration

To determine the overall net fiscal cost of illegal aliens it is important, first of all, to estimate the total number residing in the nation.² This task has been made difficult by the rapid and enormous inflow of illegal aliens prompted by the new immigration and border policies of the Biden Administration. In the three years since Joe Biden assumed the presidency, some 6.7 million new inadmissible aliens have entered the nation and taken up residence.

The breakout of this illegal alien inflow between January 2021 and December 2023 is as follows:

- **Released illegal entrants on southwest border: 3.18 million.** These are illegal aliens who have entered the country unlawfully, been encountered or apprehended by the Customs and Border Protection’s Border Patrol or Office of Field Operations, but then deliberately released into the nation by the Biden administration.³
- **Released inadmissible entrants on northern land border, air ports of entry and coastal border: 168,000.** These are illegal aliens who have entered the country unlawfully between ports of entry or without documentation at ports of entry, been

²This report uses the terms illegal aliens, unauthorized immigrants, illegal migrant, unauthorized migrant, illegal alien, unauthorized immigrant and inadmissible alien as synonyms.

³The source for this number is Office of Homeland Security Statistics, Department of Homeland Security, “Immigration Enforcement and Legal Processes Monthly Tables”, January 5, 2024, (<https://www.dhs.gov/ohss/topics/immigration/enforcement-and-legal-processes-monthly-tables>), (accessed January 12, 2024). The southwest border release figure was calculated from OHSS excel table “CBP SW Border Encounters Book-Out Outcomes by Agency: Fiscal Years 2014 to 2023 (September 2023)”. The release figure includes “USBP releases” and “OFO paroles”. The calculation also assumes that 70 percent of cases transferred to ICE were subsequently released into the U.S. For a discussion of these data see Andrew R. Arthur, “DHS’s Latest Weekend News Dump Is a Stunner: CBP has released at least 2 million Southwest border migrants in last 2 fiscal years; could exceed 3 million when all other releases are included”, Center for Immigration Studies, January 6, 2024. (<https://cis.org/Arthur/DHSs-Latest-Weekend-News-Dump-Stunner>) (Accessed January 12, 2024.)

encountered by the Customs and Border Protection, but then deliberately released into the nation by the Biden administration.⁴

- **“Got-aways”:** **1.7 million.** These are unlawful aliens that the border patrol observed crossing the border but were unable to apprehend.⁵
- **Undetected entries without inspection: 255,000.** The Border Patrol estimates the number of undetected entries without inspection (EWI) on the border; these are individuals who are likely to have unlawfully crossed the border without being observed by the Border Patrol.⁶
- **Unaccompanied minors: 449,000** These are individuals who claim to be minors and have entered the nation without legal authorization and without an accompanying adult.⁷
- **CHNV Parole Program: 390,000.** In January 2023 the Biden Administration created a new “parole” program in which individuals from Cuba, Haiti, Nicaragua, and Venezuela will be flown directly into the U.S., bypassing border control and normal immigration procedures.⁸

⁴ Office of Homeland Security Statistics, Department of Homeland Security, “Immigration Enforcement and Legal Processes Monthly Tables”, January 5, 2024, (<https://www.dhs.gov/ohss/topics/immigration/enforcement-and-legal-processes-monthly-tables>), (accessed January 12, 2024). The estimate is based on the table “Nationwide CBP Encounters by Encounter Type and Region: Fiscal Years 2014 to 2023 (September 2023)”. The estimate assumes that 70 percent of the enforcement encounters in the relevant regions resulted in a release.

⁵ See *The Biden Border Crisis: New Data and Testimony Show How the Biden Administration Opened the Southwest Border and Abandoned Interior Enforcement*, Interim Staff Report of the Committee on the Judiciary and Subcommittee on Immigration Integrity, Security, and Enforcement, U.S. House of Representatives, October 9, 2023, p. 1. (<https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/2023-10-09-New-Data-and-Testimony.pdf>) (Accessed January 12, 2024.)

For a discussion of “got-aways” see Andrew R. Arthur, “Mayorkas Redefines—but Still Fails to Comply With—the ‘Operational Control’ Mandate,” Center for Immigrations Studies, March 31, 2023, <https://cis.org/Arthur/Mayorkas-Redefines-Still-Fails-Comply-Operational-Control-Mandate> (accessed September 13, 2023). Arthur states, “Even those dismal apprehension numbers don’t tell the whole story, because they don’t include the almost 1.4 million illegal migrants who were detected entering illegally but who successfully evaded agents at the Southwest border under Biden, known colloquially as ‘got-aways’: at least 385,000 in FY [fiscal year] 2023, according to Border Patrol Chief Raul Ortiz; 599,000 in FY 2022; and 389,155 in FY 2021.”

⁶Border Patrol Chief testified that counting undetected border crossing would increase the “gotaway” number by 10 percent to 20 percent. “Border Patrol Chief Raul Ortiz Testifies Before Homeland Security Committee in Texas,” CNN-News 18, March 15, 2023, <https://www.youtube.com/watch?v=APlekTTMxRY> (accessed September 13, 2023). The number in the text is 15 percent of the got-away number.

⁷Office of Refugee Resettlement, Office of the Administration for Children & Families , U.S. Department of Health and Human Services, “Unaccompanied Children, Fact Sheets and Data: Referrals”, <https://www.acf.hhs.gov/orr/about/ucs/facts-and-data> (Accessed January 11, 2024).

⁸Office of Homeland Security Statistics, op. cit. See table “Confirmed CHNV Beneficiaries by Process: Fiscal Year 2023 (September 2023)”. The table shows there were 312,000 beneficiaries of the program in FY 2023. An additional 78,000 individuals are assumed to have participated in the program in the first quarter of FY 2024 based on rates from the last quarter in FY 2023.

- **Longer-term visa overstays: 600,000.** This category represents the estimated inflow of temporary visa holders whose visas expired in FY 2021, 2022, and 2023 but who currently remain in the U.S. beyond their legal departure deadline.⁹

Total illegal alien inflows: 6.74 million. Summing the above figures shows that some 6.7 million illegal aliens entered the nation from January 2021 through December 2023. (See table 1 at the end of the paper.)

Explosive Growth in Illegal Entries

The extraordinary illegal alien inflows described above are unprecedented. The destructive impact of Biden policies can be seen by comparing the current situation with prior presidencies. In FY 2023, there were 3,201,144 encounters between inadmissible aliens and the U.S. government nationwide. In 2016, the last year of the Obama administration, there were 690,433 such encounters.¹⁰ This 460 percent increase in illegal alien inflows is a direct and obvious result of Biden policies which deliberately encourage, facilitate and reward illegal immigration.

Under Biden policies, most “encounters” between illegal aliens and border officials result in the illegal alien being simply released into the U.S. For example, at present, over 80 percent of the hundreds of thousands of illegal aliens encountered each month on the southwest border by Custom and Border Protection appear to be released into the U.S. interior.¹¹ The current policy is not so much “catch and release” as simply “greet and release”.

Current Number of Illegal Aliens

⁹ For given year, a new visa over-stayer is a foreign individual who did not leave the U.S. even though their temporary visa expired during the year. In FY 2021, there were 171,000 new visa over-stayers as COVID reduced the number of visa entries and exits. In FY 2022, the number of new over-stayers rose 795,000. This appears to be a record number. Overstay data is not available for FY2023. Historically, around 60 percent of new visa over-stayers remain in country for at least 12 months after visa expiration. The analysis assumes there were a cumulative 1.8 million new visa over-stayers in FY2021, FY2022, and FY2023, and that a third of these individuals remained in the U.S. at the end of FY2023.

See tables 1 and 7 in the following reports from the Department of Homeland Security, “Fiscal Year 2019 Entry/Exit Overstay Report,” March 30, 2020, https://www.dhs.gov/sites/default/files/publications/20_0513_fy19-entry-and-exit-overstay-report.pdf (accessed September 13, 2023); “Fiscal Year 2022 Entry/ Exit Overstay Report”, (https://www.dhs.gov/sites/default/files/2023-07/23_0707_FY22_FY23_CBP_Integrated_Entry_Exit_Overstay_Report.pdf) (accessed January 13, 2024).

¹⁰ Office of Homeland Security Statistics, Department of Homeland Security, “Immigration Enforcement and Legal Processes Monthly Tables”, op. cit. See table labelled “Nationwide CBP Encounters by Encounter Type and Region: Fiscal Years 2014 to 2023 (September 2023)”.

¹¹ The estimated release ratio is for the last quarter of FY 2023. Data source: Office of Homeland Security Statistics, Department of Homeland Security, “Immigration Enforcement and Legal Processes Monthly, from the table “CBP SW Border Encounters Book-Out Outcomes by Agency: Fiscal Years 2014 to 2023 (September 2023)The number of released individuals equals the sum of USBP releases, OFO Paroles, transfers to HHS and 70 percent of transfers to ICE. See footnote 2. The release rate has increased considerably since the termination of title 42 public health expulsions in the May 2023.

The number of illegal aliens in the United States has been estimated periodically by the Office of Immigration Statistics in the Department of Homeland Security (DHS).¹² These estimates use an analytic technique called the residual method.¹³ This procedure has three steps. First, the number of foreign-born persons appearing in annual Census surveys is estimated. Second, the correct number of legal immigrants and naturalized citizens who should reside in the U.S is estimated. Third, once this estimate of the legal foreign-born population is made, any additional foreign-born persons appearing in annual Census surveys are deemed to represent the illegal migrant population. (Note: This system assumes that nearly all illegal aliens will respond to annual Census surveys and will be included in Census data.)¹⁴

A number of non-governmental groups, such as the Center for Immigration Studies, the Center for Migration Studies and the Pew Research Center, use variants of this method.¹⁵ The most recent and thorough count of illegal aliens has been completed by Steven Camarota, Director of Research at the Center for Immigration Studies. Using data from the monthly Census Current Population Survey, Camarota estimates there were 10.22 million illegal migrants in the U.S. on January 2021 when President Biden took office.¹⁶

Since then, 6.7 million additional illegal aliens have entered the country as shown in table 1. Adding the 6.7 million to the initial base of 10.22 million would yield a present illegal population of 16.9 million. However, this figure would be too high as it allows for no attrition in the base population. Over time some illegals will return to their country of origin, others will die. Although precise numbers are not available, it is likely that attrition has reduced the base population by perhaps one million over three years.¹⁷ This would leave a residual of around 15.9 million illegal aliens at present.

¹²Bryan Baker, “Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2015–January 2018,” *Population Estimates*, January 2021, Department of Homeland Security, Office of Immigration Statistics, January 2021, https://www.dhs.gov/sites/default/files/publications/immigration-statistics/Pop_Estimate/UnauthImmigrant/unauthorized_immigrant_population_estimates_2015_-_2018.pdf (accessed April 6, 2023).

¹³Robert Warren, “Democratizing Data about Unauthorized Residents in the United States: Estimates and Public-Use Data, 2010 to 2013,” *Journal of Migration and Human Security*, Vol. 2, No. 4 (2014), pp. 305–328, <https://journals.sagepub.com/doi/pdf/10.1177/233150241400200403> (accessed April 6, 2023).

¹⁴It is further important to note that this system uses numbers from the annual Census population numbers from the American Community Survey or Current Population Survey. These surveys do not provide actual counts of persons in the U.S. They are stratified, weighted surveys using a priori targets for total population and population sub-groups by age, race, and location. To a considerable degree, these surveys “assume their conclusions.” These surveys will not respond quickly or accurately to an unanticipated large-scale influx of illegal aliens.

¹⁵The Heritage Foundation employed this method in Rector and Richwine, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer.”

¹⁶See Steven A. Camarota and Karen Zeigler, “Estimating the Illegal Alien Population Using the Current Population Survey,” Center for Immigration Studies, March 29, 2022, p. 2, <https://cis.org/Report/Estimating-Illegal-Immigrant-Population-Using-Current-Population-Survey> (accessed September 13, 2023).

¹⁷DHS estimates that between 2015 and 2018 there was annual attrition of some 310,000 on a base population of roughly 11.4 million.

The Net Fiscal Cost of Lower Skill Households

Both the size and composition of the illegal alien population are important for public policy. Lower skill U.S.-born citizens, legal immigrants, and illegal aliens all impose large net fiscal costs on U.S. taxpayers.¹⁸ Net fiscal costs occur when the cost of the total government benefits and services received by a group exceeds the total taxes paid by the group. This imbalance creates a net fiscal deficit which must be paid by others in society.

In calculating the net fiscal balance of legal immigrants, illegal aliens, and/or U.S.-born citizens, four types of government benefits and services are relevant. These are:

- 1) **Direct benefits.** Direct benefits include Social Security, Medicare, unemployment insurance, and workmen's compensation.¹⁹
- 2) **Means-tested welfare benefits.** Means-tested benefits are available only to poor and lower income persons. There are over 90 of these programs which, at a cost of over \$1.2 trillion per year, provide cash, food, housing, medical, and services to roughly 80 million low-income Americans. Major programs include Medicaid, Food Stamps, the refundable earned income tax credit, public housing, Supplemental Security Income, and Temporary Assistance to Needy Families.
- 3) **Public education.** At an average annual cost over \$15,000 per pupil, these services are largely free or heavily subsidized for low-income parents.²⁰
- 4) **Population-based services.** Population-based services include police, fire, highways, parks, and similar services. As the National Academy of Sciences has explained in its studies on the fiscal cost of immigrants, these services generally have to expand as new immigrants enter a community; someone has to bear the cost of that expansion.²¹

Public goods such as national defense and scientific research are not included in the calculation.

While households receive large-scale benefits and services from government, they also pay taxes to government. The most important taxes at the federal government level are the personal income tax, Federal Insurance Contribution Act (FICA) taxes for Social Security and Medicare, corporate profit taxes, and federal excise taxes. At the state and local level, the most important taxes are

¹⁸The net cost estimates in this paper represent preliminary figures.

¹⁹Illegal aliens do not currently receive Social Security or Medicare benefits but would receive them following amnesty.

²⁰The average pupil cost equals total public expenditure for elementary and secondary schools divided by national enrollment. See Tables 1 and 13 Census, Annual Survey of School Finances, 2019 Public Elementary-Secondary Education Finance Data, <https://www.census.gov/data/tables/2019/econ/school-finances/secondary-education-finance.html> (accessed September 13, 2023).

²¹See the discussion of “congestible goods” in The National Academy of Sciences, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration* (Washington, DC: National Academies Press, 1997), p. 303. See also National Academies of Sciences, Engineering, and Medicine, *The Economic and Fiscal Consequences of Immigration* (Washington, DC: National Academies Press, 2017), pp. 344–345, <https://nap.nationalacademies.org/catalog/23550/the-economic-and-fiscal-consequences-of-immigration> (accessed September 13, 2023).

property taxes, income taxes, and general and selective sales taxes. For the calculation to be accurate all taxes paid by a household, both direct and indirect, should be included.

The Vast Redistributive State

The debate about the fiscal consequences of illegal and low-skill immigration is hampered by a number of misconceptions. Few lawmakers really understand the current size of government and the scope of redistribution. Government is far larger and more expensive than most imagine. In 2019, before the COVID-19 pandemic, federal, state, and local governments spent \$5.76 trillion on direct benefits, means-tested aid, education, and population-based services. Across the whole population (including U.S.-born citizens, legal immigrants, and illegal aliens), the average household received \$44,800 in government benefits and services.²² Households headed by persons without a high school degree got considerably more, perhaps as much as \$65,000 per household.²³

The cost of government benefits and services received minus the total taxes paid by a household equals the *net fiscal balance* of the household. Households that pay more in overall taxes than they receive in direct and means-tested benefits, education, and population-based services are *net tax contributors*. Households that receive benefits and services in excess of the taxes they pay are *net tax consumers*.

The governmental system is highly redistributive. Households with higher earnings tend to be *net tax contributors*. On average, well educated workers earn more income. For example, immigrants with a college education (who are overwhelmingly legal immigrants) pay enough in taxes to fund the government benefits and services their families receive while generating a fiscal surplus that can be used for other government purposes. By contrast, less educated households, on average, 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. This is largely true irrespective of whether the household is headed by a citizen born in the U.S., a legal immigrant, or an illegal alien.

Education Levels of Foreign-Born Immigrants and Native-Born Citizens

Immigrants tend to impose higher fiscal costs on society because, on average, they have lower education levels than U.S.-born citizens. Table 2 (at the end of the paper) shows the education levels of adults in three groups. The first is U.S.-born citizens. The second group covers all foreign-

²²The estimate represents total federal state and local expenditures for 2019 before the COVID-19 pandemic. The estimate excludes spending on public goods, interest payments on government debt, and federal grants in aid to state governments (which are counted as state expenditures). The average benefit per household figure equals the \$5.76 trillion spending figure divided by the number of households reported by the Census Bureau.

²³These figures include households of legal immigrant (including naturalized citizens), U.S.-born citizens, and illegal aliens.

born adults, including former immigrants who have been naturalized, legal immigrants, and illegal aliens. The third group is a sub-group of the second group: it includes only illegal aliens.

The three groups differ considerably in the share of adults with very low levels of education. Among native-born adults, only 6 percent lack a high school degree. Among all foreign-born, the number is 22.4 percent, and among illegal alien adults it rises to 40 percent. Individuals with this low level of education tend to generate high fiscal deficits, receiving more government benefits and paying less in taxes.

Moreover, the figures in Table 2 measure education levels before the explosive growth of illegal immigration over the last three years (as discussed above).²⁴ The dramatic surge in border crossing will almost certainly increase the share of less educated illegal aliens in the U.S., thereby increasing net fiscal costs.

National Academy of Sciences Confirms the High Cost of Low-Skill Immigration

Some claim that lower skill immigrants do not produce fiscal burdens on U.S. taxpayers because they do not receive means-tested welfare. This is wrong in multiple respects. In reality, legal migrant households receive significantly more welfare, on average, than U.S.-born households.²⁵ In addition, the fiscal burden generated by lower skill legal immigrants is not principally due to means-tested welfare. Although the welfare benefits received are large, the combined benefits received from Social Security, Medicare, public education, and population-based services are significantly larger. Even if the entire means-tested welfare state were abolished, lower skill immigrants would remain a substantial fiscal burden, receiving much more in government benefits and services than they pay in taxes.

An extensive study by the National Academies of Science (NAS), *The Economic and Fiscal Consequences of Immigration*, provides a n analysis of the fiscal costs of immigrants along the lines described above. The analysis covers legal immigrants and illegal aliens and does not differentiate between the two. The NAS study confirms that immigrants (both legal and illegal) with low levels of education impose large fiscal burdens on U.S. taxpayers.²⁶ According to NAS analysis,²⁷ over the course of a lifetime, an immigrant without a high school degree will receive

²⁴The figures on the table for native-born and foreign-born appear to have been collected in March of 2021.

²⁵Steven A. Camarota and Karen Zeigler, “63% of Non-Citizen Households Access Welfare Programs Compared to 35% of Native Households.” Center for Immigration Studies, December 2018, <https://cis.org/sites/default/files/2018-11/numbers-welfare-18.pdf> (accessed September 13, 2023).

²⁶National Academies of Sciences, Engineering, and Medicine, *The Economic and Fiscal Consequences of Immigration*.

²⁷Ibid. The lifetime fiscal impacts of immigrants are shown on Table 8-12 Part 2 on pages 432–434. The figures in the table cover all immigrants both legal and illegal by education level. The NAS figures are presented as net present values in 2012 dollars. For purposes of this paper the net present value figures have been un-discounted and then adjusted for inflation into 2023 dollars. For a discussion of the net present value of immigration costs, see Robert Rector and Jamie Hall, “National Academy of Sciences Report Indicates Amnesty for Unlawful Immigrants Would

some \$844,000 more in government benefits and services than he will pay in total taxes.²⁸ An immigrant with only a high school degree will receive \$459,000 more in benefits and services than he pays in taxes.²⁹

It is sometimes argued that the fiscal costs of first-generation lower skill immigrants are irrelevant because their children, experiencing upward social mobility, will become strong net tax contributors generating strong fiscal surpluses that counteract the initial deficits of their parents. In reality, although the children of lesser skilled immigrants will attain more education than their parents, on average, even with this attainment, they will produce net fiscal deficits.³⁰ The NAS figures used in this text include both first- and second-generation costs; for lower skill immigrants both generations have a negative fiscal impact.³¹

Table 3 shows the results of the NAS study. The table shows that higher skill immigrants (with a college degree or higher) pay significantly more in taxes than they receive in benefits over the course of a lifetime. In aggregate, these individuals will generate some \$13 trillion in fiscal surpluses over their lives. In theory, these surpluses could be used for important social purposes such as reducing the national debt or funding defense. In reality, this will not happen because nearly all the fiscal surpluses generated by well-educated immigrants are offset by the nearly equivalent fiscal deficits generated by less educated immigrants. Immigration does not contribute to the fiscal solvency of the United States because the positive contributions of high-skill immigrants are neutralized by the fiscal costs of low-skill immigrants.

Moreover, the figures in Table 3 do not include the mass surge in illegal immigration that occurred in the last three years. That surge will increase the negative fiscal costs of immigration well above the figures in the table.

The Fiscal Cost of Illegal Aliens

As with the case of low skill immigrants in general, some claim that illegal aliens do not produce fiscal burdens on U.S. taxpayers because they do not receive means-tested welfare. This is wrong in multiple respects. It is true that illegal aliens (in contrast to legal immigrants) do not, at present, have access to most means-tested welfare programs.³² They are also currently ineligible for Social

Cost Trillions of Dollars,” Heritage Foundation *Backgrounder* No. 3175, December 22, 2016, <http://thf-reports.s3.amazonaws.com/2016/BG3175.pdf>. (Accessed January 14, 2024).

²⁸See National Academies of Sciences, Table 8-12 Part B, p. 433. The NAS figures include both legal and illegal aliens. Net costs for illegal aliens alone would probably be about 15 percent lower. The figures given in the text of the present paper cover the NAS total impacts for immigrants aged 25 to 65 excluding public goods costs for immigrants without a high school degree and their immediate dependents in 2023 dollars.

²⁹The total net fiscal cost of all illegal aliens over a lifetime would be around \$339,000 in constant 2023 dollars.

³⁰Robert Rector and Jason Richwine, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer,” Heritage Foundation *Special Report* No. 133, May 6, 2013, p. 31 <http://thf-media.s3.amazonaws.com/2013/pdf/sr133.pdf>.

³¹National Academies of Sciences, table 8-12, p. 432.

³²However, the Biden Administration and the left seek to create massive new welfare programs with full eligibility for illegal aliens. For example, the Biden Administration sought to create as massive new cash grant child allowance program costing around \$200 billion per year as part of its Build Back Better Bill. Millions of illegal alien parents with U.S.-born children would have been eligible for that credit.

Security and Medicare benefits. However, this does not mean that they do not receive government benefits and services.

Many illegal aliens have U.S.-born children; these children are eligible for the full range of government welfare and medical benefits. The children of illegal aliens are also fully eligible for free public education; the average cost of which is now roughly \$15,000 per year. And, of course, when illegal aliens live in a community, they use roads, parks, sewers, police, and fire protection; these services must expand to cover the added population or there will be “congestion” effects that lead to a decline in the service quality.³³

While illegal aliens do receive less government benefits and services than comparable U.S. citizens there is a second powerful factor that drives up the net fiscal costs of illegal aliens relative to the rest of the U.S. population: as noted, illegal aliens as a group have very low levels of education.

As Table 2 showed, illegal aliens have low education levels relative to legal immigrants and native-born individuals. Some 40 percent of adult illegal aliens lack a high school degree compared to 6 percent of native-born adults. Roughly 30 percent of illegal alien adults have eight years or less education. On average, illegal aliens receive \$2.40 in government benefits for each \$1.00 they pay in both direct and indirect taxes.³⁴ The average illegal alien household has an annual fiscal deficit over \$20,000

Current Net Cost of Illegal Aliens

With a current population of 15.9 million illegal aliens, provided above, the current net fiscal cost of those immigrants is around \$110 billion per year.³⁵ This means they receive \$110 billion more in government benefits and services than they pay in total taxes.³⁶ The figure \$110 billion is so large it is difficult to grasp. In simple terms, to pay for \$110 billion in net expenditures,

³³National Academies of Science, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*, National Academy Press, Washington, D.C. 1997, p. 303.

³⁴Rector and Richwine, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer,” p. 13.

³⁵ Another analysis of the fiscal cost of illegal immigration is provided by the Federation for American Immigration Reform, See FAIR Research, *The Fiscal Burden of Illegal Immigration on United States Taxpayers | 2023 Cost Study*, Federation for American Immigration Reform, March 2023 <https://www.fairus.org/issue/publications-resources/fiscal-burden-illegal-immigration-united-states-taxpayers-2023> . The FAIR study estimates the illegal immigrant households had an annual fiscal deficit of \$150.7 billion in 2023. The FAIR estimate of annual government benefits and services received by illegals at \$182 billion is similar to the estimate used for the figures in the present text. Neither analysis assumes illegals pay much in income or FICA taxes, but they do pay indirect taxes. The FAIR analysis assumes illegals pay some \$40 billion less in taxes than the analysis presented in this testimony. The FAIR analysis appears to assume that the taxes paid per illegal immigrant household are roughly 1/8th that of average household. This seems low.

³⁶Unless otherwise noted, the estimates in this paper are based on the estimates in Rector and Richwine, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer.” The figures in that monograph have been adjusted for inflation into 2022 dollars. The education level of illegal aliens has been raised in accordance with more recent figures calculated by the Center for Migration Studies, *Estimates of Undocumented and Eligible-to-Naturalize Populations by States*. Finally, the estimated total population of illegal migrants has been adjusted to match the population estimates given in this testimony.

government would need to raise the tax on gasoline by 82 cents per gallon.³⁷ Of course, government would never fund illegal immigration in this transparent way. In reality, these costs are spread across a wide range of taxes or are funded by deficit spending that must be paid by future generations.

Moreover, as noted, the illegal alien population has been growing rapidly following the changed border and asylum policies imposed by the Biden Administration. If current trends continue, the illegal migrant population will grow explosively with at least 2 million incoming illegals each year. Assuming a current base of 15.9 million illegal immigrants and an addition of 2 million new illegals each year, and with normal attrition on the overall illegal population, within five years there will be 23.1 million illegal aliens residing in the U.S.³⁸ The net cost to taxpayers will rise to at least \$160 billion per year (in 2023 dollars).

The Cost of Amnesty

The Biden Administration and the left in Congress also continually press for amnesty for illegal aliens. Amnesty would entitle current illegal aliens to full benefits from all means-tested welfare programs, Social Security, and Medicare. The NAS analysis provides estimates of the long-term net fiscal costs of immigrants by their education level. Analysis based on these NAS figures permits a rough estimate of the net fiscal costs of illegal aliens following amnesty. Analysis using the the NAS figures indicates that granting amnesty to 15.9 million current illegal aliens would impose estimated total lifetime net costs on the U.S. taxpayers of at least \$5 trillion (in constant 2023 dollars).³⁹ This averages to around \$50,000 for each household currently paying federal income tax.

These costs substantially understate real long-term costs of amnesty to the taxpayer because they cover only the costs of illegal aliens who are already present in the U.S. and do not cover the millions of future illegal aliens who will flow into the nation if current government policies are continued. Given current trends, the illegal population will rise to 25.6 million by 2030. The net cost, following amnesty, for this group would be around \$8 trillion (in 2023 dollars), on average around \$80,000 for each taxpaying household.

New York City Mayor Confronts Open Borders

³⁷In 2021, about 134.83 billion gallons of gasoline were consumed in the U.S. U.S. Energy Information Administration, “FREQUENTLY ASKED QUESTIONS (FAQS) How much gasoline does the United States consume?”

<https://www.eia.gov/tools/faqs/faq.php?id=23&t=10#:~:text=How%20much%20gasoline%20does%20the,8.80%20million%20barrels%20per%20day> (accessed March 20, 2023.)

³⁸This estimate assumes an annual attrition rate of 3 percent on the illegal population.

³⁹For purposes of this estimate, the education levels of current illegal aliens were taken from the Center for Migration Studies, Estimates of Undocumented and Eligible-to-Naturalize Populations by States.

The impact of the mass influx of new illegal immigration has led New York City Mayor Eric Adams to proclaim that open borders and the unending flow of “asylum seekers” is destroying New York City. The Mayor urged the federal government to declare “a state of emergency to manage the crisis at the border.”⁴⁰

Adams warns that the overwhelming influx of illegal aliens will force New York to house and feed on “average nearly 33,860 households nightly this fiscal year” with annual costs of more than \$4.7 billion. The Mayor predicts the annual costs will rise to \$6.1 billion per year by FY 2025.⁴¹ The Mayor warned New York residents: “This is going to come to a neighborhood near you.... Never in my life have I had a problem that I did not see an ending to. I don’t see an ending to this.... This issue will destroy New York City.... The city we knew we’re about to lose.”⁴²

The Impact of Illegal Immigration on Low Skill and Minority Workers

Illegal immigration is disproportionately low skilled, and the negative impacts of lower skill immigration can be especially severe on the least-advantaged American workers.⁴³ Low skill immigration inflows over recent decades have contributed to wage stagnation among the bottom half of workers and have undermined the earnings and employment of vulnerable groups such as black males and workers without a high school degree.

As Rep. Barbara Jordan (D-TX), chairwoman of the bipartisan U.S. Commission on Immigration Reform in the mid-1990s explained, policy makers must be “particularly concerned about the impact of immigration on the most disadvantaged within our already resident society – inner city youth, racial and ethnic minorities, and recent immigrants who have not yet adjusted to life in the U.S.”⁴⁴ The Jordan Commission concluded that “the principal ‘losers’ [of immigration] are the low-skilled workers who compete with immigrants and whose wages fall as a result.”⁴⁵ The

⁴⁰News release, “Updated Forecast Shows Crisis Could Cost City Total of More Than \$12 Billion Through July 2025, Absent State and Federal Support,” New York City, Office of the Mayor, August 9, 2023, <https://www.nyc.gov/office-of-the-mayor/news/583-23/as-city-nears-arrival-100-000-asylum-seekers-since-last-spring-mayor-adams-lays-out-updated#/0> (accessed September 13, 2023).

⁴¹News release, “Updated Forecast Shows Crisis Could Cost City Total of More Than \$12 Billion Through July 2025, Absent State and Federal Support.”

⁴²Tim Hains, “[Mayor Eric Adams: Migrant Crisis ‘Will Destroy NYC,’ ‘We’re Getting No Support On This National Crisis.’](https://www.realclearpolitics.com/video/2023/09/07/mayor-eric-adams-migrant-crisis-will-destroy-nyc-were-getting-no-support-on-this-national-crisis.html) RealClearPolitics, September 7, 2023, <https://www.realclearpolitics.com/video/2023/09/07/mayor-eric-adams-migrant-crisis-will-destroy-nyc-were-getting-no-support-on-this-national-crisis.html> (accessed September 13, 2023).

⁴³ Rector and Richwine, op. cit. pp. 34-35.

⁴⁴ Barbara Jordan, testimony before the U.S. Senate Committee on the Judiciary, Subcommittee on Immigration and Refugee Affairs, August 3, 1994.

⁴⁵ U.S. Commission on Immigration Reform, Final Report, 1997, pp. 60, at <http://usinc.org/wp-content/uploads/2014/11/U.S.-Commission-on-Immigration-Reform.pdf>.

Commission found “no national interest in continuing to import lesser-skilled and unskilled workers to compete in the most vulnerable parts of our labor force.”⁴⁶

The recent report by the National Academy of Sciences, *The Economic and Fiscal and Consequences of Immigration* provides extensive evidence concerning the potential negative effect of low skill immigration on low skill native workers especially “native minorities.”⁴⁷ For example, the study focuses 17 separate analyses on a variety of low-skill, non-immigrant groups; all but two of these confirm standard economic theory and show that low skill immigration has reduced the wages on low skill, non-immigrant labor.⁴⁸ On average, the analyses showed that an inflow of immigrant labor resulting in a one percent increase in the supply of low skill labor would result in a 0.6 percent drop in the wages of low skill non-immigrants. Since immigrant workers represent over half the workforce without a high school degree, this indicates that immigration may have cut the wages of low skill native American workers by as much as 30 percent.

Extensive review of economic literature confirms the NAS report. Of 89 studies of the impact of immigration in the U.S on native workers without a high school degree or native black workers, 77 confirm standard economic theory showing immigration has negative effects on earnings or employment.⁴⁹ (A list of these studies is available on request.)

Especially troubling is the negative impact on black Americans.⁵⁰ Between 1960 and 2000, the employment rate of black high school dropouts fell catastrophically from 72 percent to 42 percent. Research by Harvard economist George Borjas and others found that an increase in lower skill immigrant labor led to a substantial drop in wage and employment among similarly

⁴⁶ Barbara Jordan, speech at the 1995 United We Stand America conference, accessed at <https://www.c-span.org/video/?c4555772/barbara-jordans-immigration-speech> (20:45 mark)

⁴⁷ The National Academy of Sciences, *The Economic and Fiscal Consequences of Immigration*, The National Academies Press, Washington, D.C., 2017, p. 241.

⁴⁸ Ibid. These analyses are presented in Table 5-2 of the NAS book on pages 242-243. Analyses discussed above present those relating to dropouts and minorities.

⁴⁹ Most of the small number of studies that do not find negative effects come from left-leaning or open-border economists. Most prominent among these is David Card, an economist who contends that raising the minimum wage has no significant effect on employment. Card employs similar methods to argue that immigration has little effect on low skill wages and employment.

⁵⁰ Jason Richwine and Robert Rector, “The Fiscal Cost of Unlawful Immigrants and Amnesty to the U.S. Taxpayer,” Heritage Foundation Special Report No. 133, May 2013, p. 34, at http://thf_media.s3.amazonaws.com/2013/pdf/sr133.pdf (accessed December 17, 2018); Robert Rector and Rachel Sheffield, “Five Myths about Welfare and Child Poverty,” Heritage Foundation Backgrounder No. 3176, December 2016, page 16, <http://thf-reports.s3.amazonaws.com/2016/BG3176.pdf> (accessed December 17, 2018); Robert Rector and Jamie Bryan Hall, “Trump-Endorsed Immigration Bill Would Save Taxpayers Trillions,” Heritage Foundation Commentary, August 2017, <https://www.heritage.org/immigration/commentary/trump-endorsed-immigration-bill-would-save-taxpayers-trillions> (accessed December 17, 2018).

skilled blacks and a noted increase in black incarceration.⁵¹ Decreasing black male wages and employment contributes to family breakdown. Borjas' analysis is corroborated by many other studies; of 50 studies analyzing the impact of immigration on black workers, 41 show negative effects on earnings or employment.⁵²

Further Economic Effects of Immigration

Advocates of increased immigration often assert that all immigrants, including illegal immigrants, enlarge the economy or GDP. They imply, from this, that all immigrants therefore boost the standard of living of U.S. citizens. While it is true that immigrants inherently increase the size of GDP, this does not mean that, in consequence, they raise the standard of living of current citizens. Immigrants have a different effect on GDP as an aggregate and on GDP per capita (which measures the standard of living of the U.S. populace).⁵³

For example, assume there is a factory with ten workers, each making \$40,000 per year. The total output of the factory is ten times \$40,000 or \$400,000. Another worker is added; he also is paid \$40,000. Because of the extra worker, the output of the factory expands to \$440,000. The extra worker has increased the total factory output by 10 percent, but the wages (or standard of living) of the initial workers remain unchanged. In this example, the extra worker is equivalent to an immigrant, the factory output is equivalent to GDP, and the wages of the initial workers are equivalent to the per capita GDP of current citizens. The fact that the total output of the factory has increased does not mean that the standard of living of the initial workers has improved.

As in the factory example, immigration increases the GDP, but it does not, generally, raise the per capita GDP or standard of living of current citizens. There is widespread agreement on this point in the field of economics. The National Academy of Sciences in another formal study of immigration, *The New Americans*, proclaimed:

Immigration will affect only the size of the economy: more GDP will be produced. The United States will be a bigger economy, but the average income of all its inhabitants will remain unchanged.... [Increasing immigration] will not change the well-being of natives as measured by their per capita income.⁵⁴

Harvard economist George Borjas, the nation's leading immigration economist, amplifies on this point. According to Borjas, immigrant workers (legal and illegal) "in the labor market make the

⁵¹ George J. Borjas, Jeffrey Grogger, and Gordon H. Hanson, "Immigration and African-American Employment Opportunities: The Response of Wages, Employment, and Incarceration to Labor Supply Shocks," National Bureau of Economic Research Working Paper No. 12518, September 2006, revised May 2007, <http://www.nber.org/papers/w12518> (accessed February 23, 2018).

⁵² These 39 studies are a subset of the 89 studies mentioned earlier.

⁵³ Derek Morgan, "How Heritage Is Studying the Costs of Immigration," Daily Signal, April 23, 2013, , https://www.dailysignal.com/2013/04/23/how-heritage-is-studying-the-costs-of-immigration/?_ga=2.130219014.829928582.1545062330-1584603107.1544041763

⁵⁴ National Research Council, *The New Americans: Economic, Demographic and Fiscal Effects of Immigration*, (Washington, DC: National Academies Press, Washington D.C. 1997), pp. 156–157.

U.S. economy (GDP) an estimated 11 percent larger (\$1.6 trillion) each year.” But of “the \$1.6 trillion increase in GDP, 97.8 percent goes to the immigrants themselves in the form of wages and benefits.”⁵⁵ In other words, while immigrants make the U.S. economic pie bigger, they consume nearly all of the increase through their own wages.

Immigration and Technology Change

Some contend that mass lower skill immigration and illegal immigration spur technology and productivity growth.⁵⁶ The NAS report does state that immigrants with high levels of technical and scientific education spur technological innovation which may “increase productivity of natives, very likely raising economic growth per capita.” The number of patents produced is used as a proxy for technological change.

It is true that immigrants with a college degree are twice as likely as U.S.-born college graduates to obtain a patent. (This difference in patenting occurs because college-educated immigrants are more likely to have degrees in science and technology than are college graduates born in the U.S.) However, only 12.4 percent of recent immigrants have a STEM (science, technology, engineering, or math) degree, and only one-third of those (or 4 percent of all immigrants) are employed in a STEM occupation.⁵⁷ Overall, less than 1 percent of immigrants produce patents.⁵⁸ Thus the overwhelming majority of the millions of immigrants arriving in the U.S. each year are irrelevant to technological change and accompanying productivity increases.

Mass lower skill immigration and, illegal immigration, in particular, are neither efficient nor necessary mechanisms to promote technology change and productivity growth. To the extent that such immigration promotes greater government spending, higher taxes, and larger government deficits, it will impede not promote positive change.

Conclusion

The current population of illegal aliens imposes substantial net fiscal costs of at least \$110 billion per year on U.S. taxpayers. The border security and immigration policies established by the Biden

⁵⁵ George Borjas, “Immigration and the American Worker: A Review of the Literature”, Center for Immigration Studies, April 2013, p. 1.

⁵⁶ Douglas Holtz-Eakin, “The Economic And Budgetary Effects Of Immigration Reform: S. 744 Revisited,” American Action Forum, March 2023, <https://www.americanactionforum.org/research/the-economic-and-budgetary-effects-of-immigration-reform-s-744-revisited/> (accessed January 15, 2024) Peter B. Dixon and Maureen T. Rimmer, “Restriction or Legalization? Measuring the Economic Benefits of Immigration Reform,” *Trade Policy Analysis* No. 40, The Cato Institute, August, 13, 2009. <https://www.cato.org/publications/trade-policy-analysis/restriction-or-legalization-measuring-economic-benefits-immigration-reform> (Accessed

⁵⁷Rector and Hall, “Does Current Immigration Economically Benefit Ordinary US Citizens?”

⁵⁸Historically, 2 percent of college-educated immigrants have been granted a patent, compared to 1 percent of college-educated U.S.-born workers. Since some 36 percent of foreign-born workers have a college degree or better, this implies that slightly less than 1 percent of foreign-born workers receive patents. Jennifer Hunt and Marjolaine Gauthier-Loiselle, “How Much Does Immigration Boost Innovation?” *American Economic Journal: Macroeconomics* (April 2010), p. 38.

Administration have caused a dramatic and precipitate rise in the flow of illegal aliens into the U.S.

Some 6.7 million new illegal migrants have entered the U.S. and taken up residence since the start of 2021. If these policies remain in effect, the illegal alien population will continue to grow rapidly, reaching over 24 million persons by 2029. Net fiscal costs would rise to at least \$169 billion per year.

In addition, the Biden Administration has continually promoted amnesty for illegal aliens. This would lead to even greater future costs by giving present illegal aliens full eligibility to all welfare programs, Social Security benefits, and Medicare. Analysis based on National Academies of Science figures indicate that amnesty for the current illegal alien population would impose long-term costs of around \$5 trillion (in 2023 dollars). These costs, however, would be only a small down payment as both current policies and amnesty will incentivize ever larger illegal alien inflows in future years.

Table 1

Tidal Wave of Illegal Immigration During the Biden Administration

(Illegal Alien Inflows from January 2021 through December 2023)

	Numbers in thousands
Illegal Migrants Released into the Interior of U.S. following Encounter with U.S. Customs and Border Patrol (CBP) and Office of Field Operations (OFO) on South West Border	3,182
Estimated Number of Illegal Migrants Released into the Interior of U.S. following encounters with U.S. Customs and Border Patrol (CBP) on Northern Border, Coastal Ports of Entry and Air Ports of Entry	168
"Got-aways": Illegal Border Crossers who were Observed by CBP but Not Apprehended	1,700
Undetected Entries without Inspection (EWI)	255
Unaccompanied Minors	449
CHNV Parolees	390
Recent Temporary Visa Holders Who Have Overstayed their Visa by More than 12 Months	600
Total	6,744

Source: The Heritage Foundation from data from Department of Homeland Security Documents

Table 2

**Adult Educational Attainment for U.S.-Born,
All Foreign-Born, and Illegal Aliens**

	U.S.-Born	All Foreign-Born	Illegal Aliens
Year	2021	2021	2019
Educational Attainment			
Less than high school	6.0%	22.4%	40.0%
High school diploma or equivalent	28.3%	25.9%	27.0%
Some college	27.5%	15.4%	14.5%
BA degree	24.1%	20.9%	18.5%*
More than BA	14.1%	15.4%	

Note: Native- and foreign-born figures are for persons 25 and older. Illegal alien figures are for persons over 18. * Includes those with education above BA.

Sources: U.S. Census Bureau, Educational Attainment in the United States: 2021, Table 2, and Center for Migration Studies, Estimates of Undocumented and Eligible-to-Naturalize Populations by States.

Table 3

Net Fiscal Impact of Foreign-Born Adults by Educational Level: 2021

	Adult Foreign-Born Persons	Percent of Adult Foreign-Born Population	Net Lifetime Fiscal Deficit or Surplus per Foreign-Born Adult	Total Combined Net Lifetime Fiscal Deficit or Surplus for All Foreign-Born Adults
	Age 25 and Over (in thousands)	Age 25 and Over	In 2022 Dollars	In Billions of 2022 Dollars
Education Level				
Less than high school	8,878	22.4%	-\$843,827	-\$7,491
High school diploma or equivalent	10,257	25.9%	-\$459,298	-\$4,711
Some college	6,104	15.4%	-\$74,769	-\$456
BA degree	8,299	20.9%	\$523,386	\$4,344
More than BA Degree	6,119	15.4%	\$1,441,983	\$8,823
Total	39,657	100.0%		
			Net Fiscal Impact	\$508

Sources: U.S. Census Bureau, Educational Attainment 2021, Table 2.

Fiscal cost data: Heritage Foundation calculations based on data from National Academy of Sciences data in *The Economic and Fiscal Consequences of Immigration*, 2017.

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