

October 2011

**FISCALLY IRRESPONSIBLE:
Immigration Enforcement without Reform Wastes Taxpayer Dollars**

Many political pundits, GOP presidential aspirants, and Members of Congress want to have it both ways when it comes to federal spending on immigration. On the one hand, there is much talk about the need for fiscal austerity, and a Congressional “super-committee” is currently working on slashing federal spending in order to reduce the deficit. On the other hand, even though the Department of Homeland Security (DHS) just announced a record high number of deportations, some still want to increase federal spending on immigration enforcement; putting more Border Patrol boots on the ground, completing the border fence, and deploying an array of high-tech gadgetry. However, they miss one very important fact: piling on more immigration enforcement without immigration reform is a practical and fiscal dead-end.

Over the past decade, the federal government has spent tens of billions of dollars trying to keep unauthorized immigrants out of the United States, or trying to get them out of the country if they are already here. The end result? Roughly 11 million unauthorized immigrants now call the United States home, the majority have been here for more than 10 years, and many have U.S.-born children. In short, the “enforcement only” approach to unauthorized immigration has proven to be costly and ineffective.

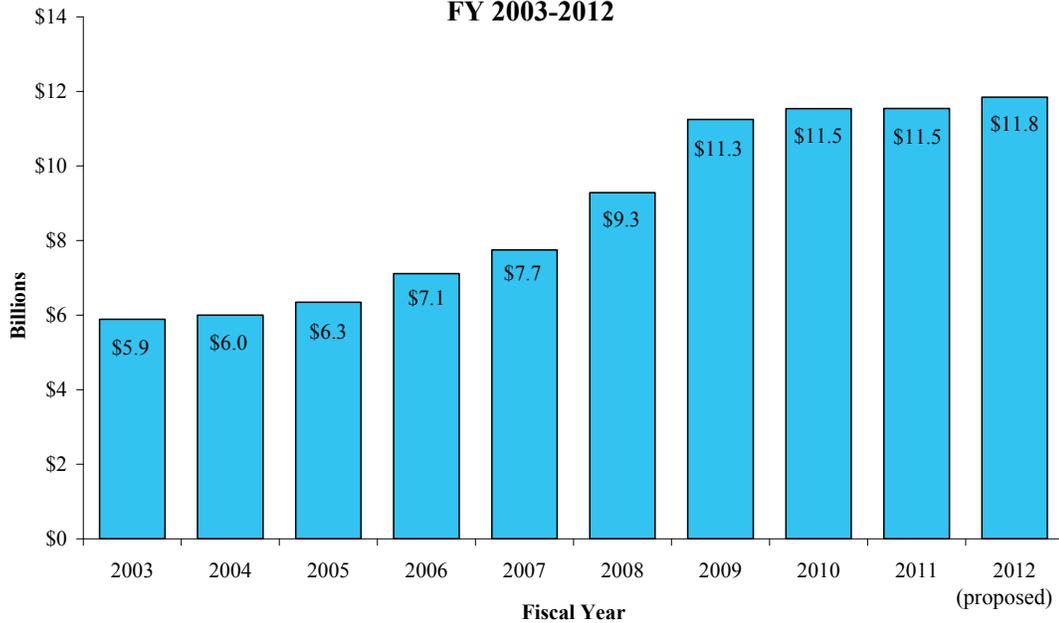
But many political candidates and Members of Congress have yet to get the news that the enforcement-only approach has been tried and failed. They seek to forge ahead with expensive new immigration-enforcement measures, such as a mandatory employment-verification system (E-Verify) for all businesses and workers in the country—and a dramatic expansion of the nation’s system for long-term detention of unauthorized immigrants. At a time when the federal government is looking for fiscal restraint, anti-immigrant hawks are proposing that we spend billions of dollars more in an endless quest to remove 11 million unauthorized men, women, and children from the United States.

Yet there is a fiscally sound alternative to the enforcement-only approach: immigration reform which includes the creation of a pathway to legal status for unauthorized immigrants already living in the United States, as well as flexible mechanisms for regulating future immigration. Research indicates that unauthorized workers who attain legal status will earn higher wages, spend more in U.S. businesses, and pay more in taxes. Moreover, if unauthorized immigrants living in the United States could acquire legal status, the federal government would no longer waste billions of dollars every year trying to capture and deport them. Enforcement dollars that are now used to track down unauthorized dishwashers and gardeners could be used to find criminals and terrorists. In other words, bringing immigration policy in line with reality is good for the public treasury, good for public safety, and good for national security.

Spending on immigration enforcement has grown dramatically in recent years.

- The budget of U.S. Customs and Border Protection (CBP) grew from \$5.9 billion in Fiscal Year (FY) 2003—when it was created as part of the Department of Homeland Security (DHS)—to \$11.5 billion in FY 2011. The President’s proposed budget for FY 2012 would increase that to \$11.8 billion {Figure 1}.¹
 - Within CBP, the amount of money allocated to the U.S. Border Patrol grew from \$1.5 billion in FY 2003 to \$3 billion in FY 2010.²

Figure 1: Budget of U.S. Customs and Border Protection, FY 2003-2012

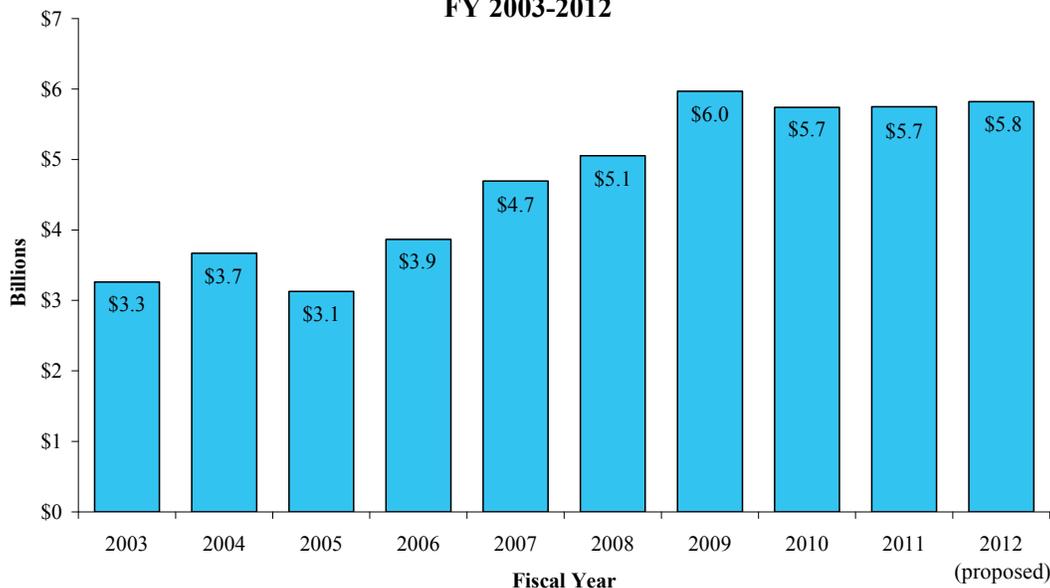


Source: Department of Homeland Security, *Budget in Brief*, Fiscal Years 2005-2012.

- The budget of U.S. Immigration and Customs Enforcement (ICE)—the agency within DHS that is responsible for immigration enforcement in the interior of the United States—increased from \$3.3 billion in FY 2003 to \$5.7 billion in FY 2011. The President’s proposed budget for FY 2012 would raise that slightly to \$5.8 billion {Figure 2}.³
 - Within ICE, the amount of money devoted to Detention and Removal Operations increased from \$1.2 billion in FY 2005 to \$2.6 billion in FY 2010.⁴
 - It costs roughly [\\$166 per day](#) for ICE to detain one person. ICE spends \$5.5 million per day to detain 33,400 people in over 250 facilities, according to estimates by the National Immigration Forum.⁵

- In 2009 and 2010, over half of detainees did not have criminal records. Traffic offenses accounted for roughly 20 percent of those who did have criminal records.⁶

Figure 2: Budget of U.S. Immigration and Customs Enforcement, FY 2003-2012



Source: Department of Homeland Security, *Budget in Brief*, Fiscal Years 2005-2012.

Despite increased spending on immigration enforcement, unauthorized immigrants remain firmly entrenched in U.S. society.

- The Pew Hispanic Center estimates that there were [11.2 million](#) unauthorized immigrants in the country as of 2010,⁷ while the DHS Office of Immigration Statistics puts the number at [10.8 million](#).⁸
- [Three-fifths](#) of unauthorized immigrants who were in the country as of 2010 had been here for more than a decade. According to DHS, 42 percent had arrived during the 1990s, while another 19 percent had come during the 1980s.⁹
- According to Pew, [4.5 million](#) native-born, U.S.-citizen children have at least one unauthorized parent.¹⁰
- In spite of a worsening economy and increased immigration enforcement, unauthorized immigrants in the United States are not leaving. A July 2011 [study](#) from the RAND Corporation found that *fewer* Mexican immigrants returned to Mexico in 2008 and 2009 than in the two years before the recession.¹¹
- U.S. border enforcement operations have not closed down the routes for unauthorized entry into the United States. This is apparent in surveys conducted among Mexican migrants from 2005 through 2009 by Wayne Cornelius and researchers at the Center for Comparative Immigration Studies at the University of California, San Diego. Cornelius

and his team found that, due largely to increased reliance upon smugglers, [well over 90 percent](#) of unauthorized migrants from sending communities in Mexico eventually make it into the United States.¹²

History has shown that legalized workers earn more, spend more, and pay more in taxes.

- [Studies](#) have found that immigrants who received legal status under the 1986 Immigration Reform and Control Act (IRCA) went on to acquire more education, earn higher wages, move out of poverty, and buy homes.¹³ For example, a 2009 [study](#) by Rob Paral & Associates for the Immigration Policy Center found that “IRCA immigrants age 25-34 years in 1990 experienced an increase of 41 percentage points in home ownership rates by 2006.”¹⁴
- Legal status allows workers to move into higher-paid occupations. Many workers legalized under IRCA were able to move into entirely new occupations that pay higher average wages than the occupations in which they previously worked, according to various [studies](#).¹⁵ For instance, a [survey](#) of Mexican men legalized under IRCA found that 38.8 percent had moved up into higher-paying occupations by 1992.¹⁶

Legalization of unauthorized immigrants would support new jobs and raise tax revenues.

- A 2010 study by Raúl Hinojosa-Ojeda, conducted for the Immigration Policy Center and the Center for American Progress, estimates that immigration reform which includes legalization of unauthorized immigrants and the creation of more flexible channels for legal immigration in the future would add at least [\\$1.5 trillion](#) in cumulative U.S. Gross Domestic Product (GDP) over 10 years.¹⁷
 - Over the first three years, higher personal income would generate increased consumer spending—enough to support [750,000–900,000 jobs](#) in the United States—as well as increased tax revenues of [\\$4.5–\\$5.4 billion](#).¹⁸
 - The benefits of additional growth in the gross domestic product would be spread broadly throughout the U.S. economy, but [immigrant-heavy sectors](#) such as textiles, electronic equipment, and construction would see particularly large increases.¹⁹
- A 2010 study from the University of Southern California estimates that “unauthorized Latino immigrants in California...missed out on approximately [\\$2.2 billion](#) in wages and salary income last year alone due solely to their legal status, and the state lost out on the multiplied impacts of that potential income and spending, suggesting a total potential gain of [\\$3.25 billion](#) annually from authorization.”²⁰
 - Because unauthorized immigrants earn less than they would if they had legal status, the California state government lost out on [\\$310 million](#) in income taxes in 2009, while the federal government missed out on [\\$1.4 billion](#).
 - Moreover, “gains from increased levels of educational attainment...and English fluency would result in an additional \$8.6 billion in wage income. The multiplied

impact of this on the California economy in direct and indirect spending would be about \$12.7 billion. Combined with the immediate effects, this is a [\\$16 billion](#) boost to California.”²¹

- A 2009 report by the libertarian CATO Institute found that “the positive impact for U.S. households of legalization... would be 1.27 percent of GDP or [\\$180 billion](#)” (in 2019).²²
- The 2006 immigration reform bill, which included a legalization program, would have more than paid for its reform provisions through increased tax revenue. The Congressional Budget Office and the Joint Committee on Taxation [estimated](#) that, as originally introduced on April 7, 2006, the Comprehensive Immigration Reform Act of 2006 would have generated \$66 billion in new revenue during 2007-2016 from income and payroll taxes, as well as various administrative fees.²³
 - This additional revenue would have more than [offset](#) the \$54 billion in new “direct spending” during 2007-2016 for refundable tax credits, Medicaid, Medicare, Social Security, and food stamps for newly eligible immigrants and their families.²⁴

The alternative to comprehensive reform—deportation—would be expensive and damaging to the U.S. economy.

- It would cost \$200 billion over five years to deport 10.8 million unauthorized immigrants, according to a 2010 study by the [Center for American Progress](#).²⁵
- Deporting millions of unauthorized workers and consumers would damage the U.S. economy. The [2010 study](#) by Raúl Hinojosa-Ojeda estimates that mass deportation would reduce U.S. GDP by 1.46 percent annually, amounting to a \$2.6 trillion cumulative loss in GDP over 10 years, not including the actual costs of deportation.²⁶
- The 2009 Cato [report](#) estimates that “a policy that reduces the number of low-skilled immigrant workers by 28.6 percent compared to projected levels would reduce U.S. household welfare by about 0.5 percent, or \$80 billion” (in 2019).²⁷
- The [Perryman Group](#) estimated in a 2008 report that the long-term negative effect of eliminating the unauthorized workforce would include roughly \$245 billion in lost GDP and 2.8 million lost jobs.²⁸

The billions of dollars which the U.S. government spends each year on immigration enforcement is not money well-spent. Much of it is devoted to keeping out or kicking out unauthorized immigrants who do not represent any sort of threat to the United States. However, the solution to this problem is not simply to cut the bloated immigration-enforcement budget. We must also make sure that immigration-enforcement money is spent wisely. It should be used to find criminals and terrorists and to put them behind bars, not to needlessly detain and imprison unauthorized housekeepers and busboys who have committed low-level immigration violations. The solution is not, as some Members of Congress propose, to pass “get tough” legislation which calls for even more non-violent individuals to be rounded up and forced into a costly and

inhumane detention system. That only aggravates the problem. Our immigration-enforcement system will not be effective, or cost-effective, until it distinguishes people who are dangerous from people who are not.

Endnotes

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- ² U.S. Border Patrol Headquarters, Office of Public Affairs, April 26, 2010 and September 25, 2009.
- ³ Department of Homeland Security, *Budget in Brief*, Fiscal Years 2005-2012.
- ⁴ U.S. Immigration and Customs Enforcement, *Budget Fact Sheet*, Fiscal Years 2005-2010.
- ⁵ National Immigration Forum, [*The Math of Immigration Detention: Runaway Costs for Immigration Detention Do Not Add Up to Sensible Policies*](#) (Washington, DC: August 2011), p. 2.
- ⁶ National Immigration Forum, [*The Math of Immigration Detention: Runaway Costs for Immigration Detention Do Not Add Up to Sensible Policies*](#) (Washington, DC: August 2011), p. 2.
- ⁷ Jeffrey S. Passel and D’Vera Cohn, [*Unauthorized Immigrant Population: National and State Trends, 2010*](#) (Washington, DC: Pew Hispanic Center, February 1, 2011), p. 1.
- ⁸ Michael Hoefler, Nancy Rytina, and Bryan C. Baker, [*Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2010*](#) (Washington, DC: U.S. Department of Homeland Security, Office of Immigration Statistics, February 2011), p. 2.
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- ¹¹ Michael S. Rendall, Peter Brownell, and Sarah Kups, [*Declining Return Migration From the United States to Mexico in the Late-2000s Recession: A Research Note*](#) (Santa Monica, CA: RAND Corporation, July 9, 2011).
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- ¹³ Raúl Hinojosa-Ojeda, [*Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform*](#) (Washington, DC: Immigration Policy Center of the American Immigration Council and the Center for American Progress, January 2010), pp. 7-9.
- ¹⁴ Rob Paral & Associates, [*Economic Progress via Legalization: Lessons from the Last Legalization Program*](#) (Washington, DC: Immigration Policy Center, American Immigration Council, November 2009), p. 10.
- ¹⁵ See Mary G. Powers, Ellen Percy Kraly, and William Seltzer, “[IRCA: Lessons of the Last U.S. Legalization Program](#),” *Migration Information Source*, July 2004.
- ¹⁶ Sherrie A. Kossoudji and Deborah A. Cobb-Clark, “[IRCA’s Impact on the Occupational Concentration and Mobility of Newly-Legalized Mexican Men](#),” *Journal of Population Economics*, vol. 13, no. 1, February 2000: 81-98.
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- ¹⁸ Raúl Hinojosa-Ojeda, [*Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform*](#) (Washington, DC: Immigration Policy Center of the American Immigration Council and the Center for American Progress, January 2010), p. 13.
- ¹⁹ Raúl Hinojosa-Ojeda, [*Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform*](#) (Washington, DC: Immigration Policy Center of the American Immigration Council and the Center for American Progress, January 2010), p. 14.
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- ²² Peter B. Dixon and Maureen T. Rimmer, [*Restriction or Legalization? Measuring the Economic Benefits of Immigration Reform*](#) (Washington, DC: Cato Institute, August 13, 2009), p. 1.
- ²³ Congressional Budget Office, [*S. 2611: Comprehensive Immigration Reform Act of 2006, as introduced on April 7, 2006*](#), May 16, 2006, p. 27.
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²⁸ The Perryman Group, [*An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the U.S. with Estimated Effects by State and by Industry*](#) (Waco, TX: April 2008), p. 69.