

AT ISSUE

PUBLIC POLICY INSTITUTE OF CALIFORNIA

ILLEGAL IMMIGRATION

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Today, there are over 10 million illegal immigrants living in the United States—an all-time high. Nationwide, the number of illegal immigrants is growing rapidly, with increases averaging 500,000 per year.¹ Moreover, for the first time in the last 10 years—if not the first time ever—the flow of illegal immigrants into the country is larger than the flow of legal immigrants.

As the numbers have grown, illegal immigration has become one of the most hotly debated and divisive issues in the nation. As the state with the most illegal immigrants, California has a critical stake in how well this issue is understood and how it could be addressed through public policy. The purpose of this AT ISSUE is to provide basic information on illegal immigration and the debate surrounding it.

WHERE DO THEY COME FROM; WHERE DO THEY SETTLE?

The vast majority of illegal immigrants in the United States are Latino. Over half are from Mexico. Another 24 percent are from other Latin American countries,² most notably El Salvador, Guatemala, Honduras, Colombia, Ecuador, and the Dominican Republic. Although their share of the total is low, hundreds of thousands of illegal immigrants also come from Asia and Europe. In Asia, the leading countries of origin are China, the Philippines, and India. In Europe, they are Poland and the former Soviet states.³

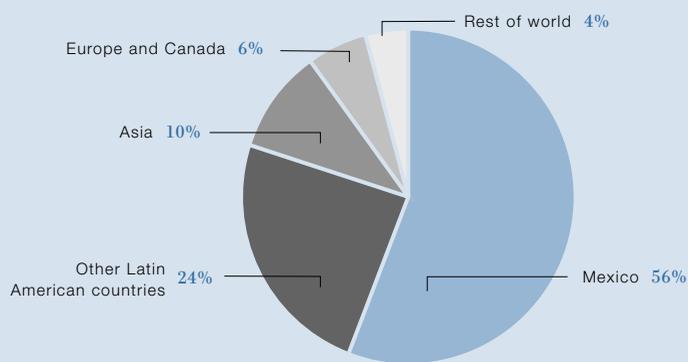
California has more illegal immigrants than any other state—an estimated 2.4 million. The California Department of Finance estimates that illegal immigration adds 73,000 people to the state’s population each year, thereby accounting for 12 percent of the state’s population growth this decade. Even so, California is not the destination state it once was: In the 1980s, almost half the nation’s illegal immigrants lived in California; today only 23 percent do. The number of illegal immigrants has been increasing dramatically in some Southeastern and Midwestern states. Still, traditional destinations such as Texas (1.4 million illegal immigrants), Florida (850,000), and New York (650,000) continue to rank after California with the largest illegal immigrant populations.

Because of increased enforcement along the U.S. - Mexico border, many illegal immigrants have shifted crossing locations.⁴ With increased border effort focusing on California, especially the San Diego-Tijuana area, Arizona has become the primary crossing location into the United States. This shift may have affected final destinations as well. In fact, Arizona now has a higher percentage than California of illegal immigrants per capita: One of every 11 Arizona residents is an illegal immigrant; in California it is one of every 15.



FIGURE 1. MOST ILLEGAL IMMIGRANTS ARE FROM LATIN AMERICA

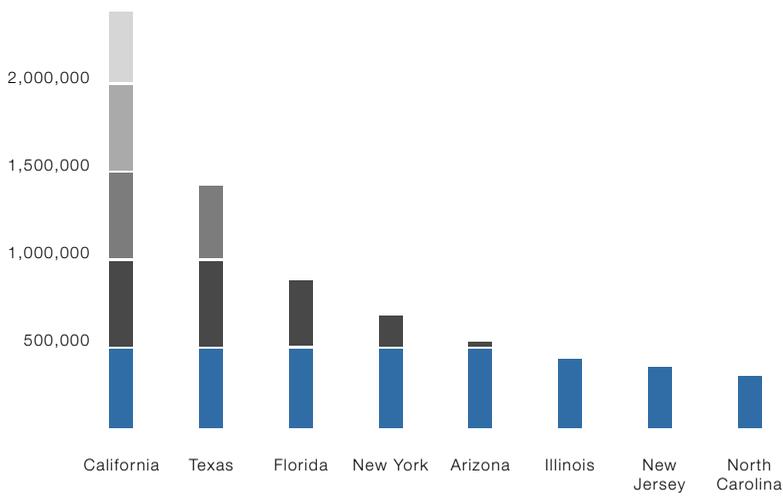
Region of Origin of Illegal Immigrants in the United States, 2004 Estimates



Source: Passel, 2005



FIGURE 2. CALIFORNIA HAS MORE ILLEGAL IMMIGRANTS THAN ANY OTHER STATE
Number of Illegal Immigrants, 2002–2004 Estimates



Source: Passel, 2005

*Illegal immigrants
come to this country
primarily for economic
and family reasons*

WHO ARE THEY?

There are no nationally (or state) representative surveys that include questions about legal status (and even if there were, responses to such a question could be suspect). Thus, determining the characteristics of illegal immigrants is very difficult. Some researchers have attempted to assign legal status to foreign born non-citizens responding to population surveys by using a probability method based on nationality, year of entry, occupation, education, and some family characteristics.⁵ Their research suggests that most illegal immigrants are young adults and live in families. Although the vast majority (86% nationwide) of illegal immigrants are adults, many live in families with their U.S.-born children. Fewer than half of illegal immigrant men and only one of five illegal immigrant women are single and living apart from family.

Illegal immigrants tend to be poorly educated. Among 25 to 64 year olds, almost half are not high school graduates.⁶ As a result—and despite very high labor force participation for men—wages and incomes are low. Nationwide, in 2003, 27 percent of adult illegal immigrants and 39 percent of illegal immigrant children lived in poverty. One estimate for California suggests that, in 2004, 23 percent of illegal immigrants lived in poverty (compared to 24% nationwide).

WHY DO THEY COME?

Claims abound. Some argue that welfare draws them. Others claim that the purpose is to have babies who will be U.S. citizens. But illegal immigrants come to this country primarily for economic and personal reasons—jobs and family reunification.⁷

The Economic Pull

Regardless of the political controversies raging, when illegal immigrants come, many U.S. employers are ready to hire them. The vast majority work. One estimate is that 75 percent of adult illegal immigrants are in the workforce.⁸ For most of them, wage and employment levels here are much higher than in their home countries. For example, average U.S. wages for production workers in manufacturing are about nine times higher than in Mexico. Minimum wages in the United States are about 10 times higher than in Mexico.⁹

Another economic incentive for migrating here is the lack of well-developed financial markets in home countries. Reportedly, in Mexico most households do not have adequate access to insurance, capital, and credit markets. Migration of some household members to the United States is part of many families' strategies to finance expensive purchases—even home ownership.¹⁰

The economic pull is underscored by how illegal immigration tracks with U.S. economic conditions. When our economy is strong, illegal immigration increases. During the late 1990s, for example, the U.S. economy grew rapidly—unemployment rates were low, job creation was high—and net increases in the number of illegal immigrants reached record levels. Inflows declined with the downturn of the U.S. economy in the early 2000s. They have since increased but are still below the peaks of the late 1990s.

The Family Pull

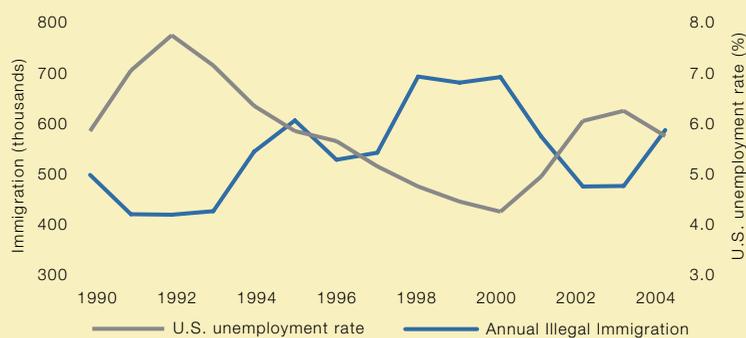
Illegal immigrants also come to the United States to join family members already here. These family members can provide housing and information about jobs. They can also help pay for the costs of a *coyote* (a smuggler who charges to bring in illegal immigrants). Research in sending countries finds that people who have U.S. family ties are much more likely to come than people who do not have these ties.

Previous PPIC research shows that California experienced a substantial increase in family-based illegal immigration in the late 1980s.¹¹ As a result of the Immigration Reform and Control Act of 1986, over one million illegal immigrant workers in the state were allowed to apply for legal permanent residence. When they became legal residents, many sent for family members to join them, and many of those family members were initially illegal immigrants.

Because many illegal immigrants have babies in the United States or join family members who are here legally, a large percentage of illegal immigrants live in households with U.S. citizens. Many of those illegal immigrants will eventually adjust to legal status through the family reunification provisions of U.S. immigration law. An analysis of immigrants granted legal permanent residency in 1996 shows that almost one-third had previously lived in the United States as illegal immigrants. About one-third of these previously illegal residents had overstayed their visas and two-thirds had crossed the border illegally.¹²



FIGURE 3. ILLEGAL IMMIGRATION INFLOWS RESPOND TO U.S. ECONOMIC CONDITIONS
 Inflows of Illegal Immigrants and U.S. Unemployment Rate, 1990–2004



Source: Passel, 2005 and Bureau of Labor Statistics, 2005

A large percentage of illegal immigrants live in households with U.S. citizens



HOW DO THEY FIT IN THE ECONOMY?

Overall, about one in 25 workers in this country is an illegal immigrant.¹³ They work in all sectors of the economy but mostly in low-skill occupations. Although about half of farm workers nationwide are illegal immigrants, most illegal immigrants are not farm workers.¹⁴ They are also concentrated in construction, manufacturing (especially textiles and animal processing), retail trade (especially restaurants), and services (especially private household services). In California, where the concentration of illegal immigrants is almost twice as high as in the rest of the nation, about 8 percent of workers are illegal immigrants. One estimate for Los Angeles County is that 14 percent of workers there are in the informal economy and that over half (61%) of such workers are illegal immigrants.¹⁵

Whether illegal immigrants take jobs that U.S. natives will not take or whether they displace U.S. workers has been a bone of contention among advocates and a topic of study for researchers. Most studies indicate that immigrants (including illegal immigrants) have little effect on the wages and employment of U.S.-born workers. Such effects are felt most by low-skilled U.S. workers.¹⁶ One study estimates that competition with immigrants decreased the earnings of men without a high school diploma by 4 percent in the long run.¹⁷

ARE THEY A BENEFIT OR BURDEN FOR GOVERNMENT FINANCES?

There are no reliable studies of illegal immigrants' fiscal effects in California. In 2004, the Government Accountability Office concluded that information was insufficient to estimate state costs even of educating illegal immigrant children. Further, most studies of the fiscal effects of immigrants do not separate illegal from legal immigrants.¹⁸

Some parties to the debate claim that illegal immigrants are a drain on public coffers. Others claim that they pay more in taxes than they receive in services. Sorting out the fiscal effects is a serious challenge, and the outcomes depend on the accounting methods used.

On the one hand, if educating the children of illegal immigrants is included in the equation, they and their children almost certainly constitute a substantial drain on public funds. Nevertheless, most children of illegal immigrants were born in the United States, are U.S. citizens, and are thus entitled to be educated in the public schools. To put

the issue of schooling in clearer perspective, most U.S. native families with children probably receive more in services (primarily education) than they pay in taxes.¹⁹

On the other hand, many illegal immigrants pay social security taxes but never collect benefits. Further, illegal immigrants are not eligible for many government services. However, they do use emergency health care, and their U.S.-born children may be eligible for social programs, including welfare (Temporary Assistance for Needy Families).²⁰ Moreover, because most illegal immigrants work in low-wage occupations, they do not generate large tax revenues. According to one study—by an organization advocating reduced immigration—illegal immigrants are a net federal fiscal drain because of their low incomes and low tax payments, not because they are big consumers of public services.²¹

WHAT DOES THE PUBLIC THINK ABOUT ILLEGAL IMMIGRANTS AND IMMIGRATION?

Californians' concern about illegal immigration has risen in recent months as congressional debate has intensified, as large protests have been staged, and as media coverage has increased. In PPIC's Statewide Survey of January 2006, only 11 percent of respondents pointed to immigration or illegal immigration as the most important issue for state leaders to address this year. By April 2006, that figure had more than doubled to 27 percent and placed immigration as the most frequently cited issue.

The perceptions do vary by region. In a March 2004 survey, almost half (47%) of Los Angeles County residents described illegal immigration to their county as a "major problem." In contrast, in an April 2004 survey, only 25 percent of Central Valley residents believed that the size of illegal immigration to the valley was a "big problem."

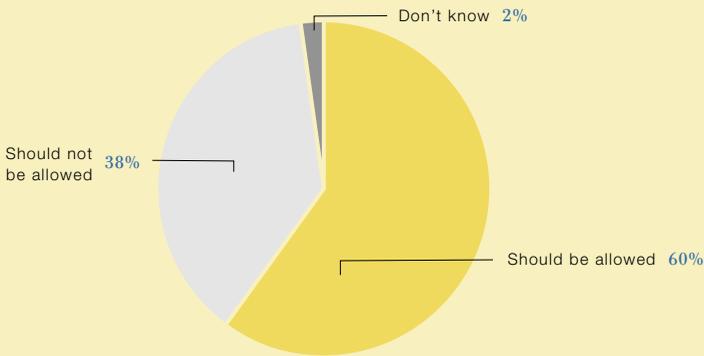
For whatever reasons, Californians' attitudes toward illegal immigrants seem to have moderated since 1994, when voters passed Proposition 187 (it denied public services to illegal immigrants but was largely overturned by the courts). In 1999, 75 percent said that illegal immigrant children should not be barred from attending public schools. In 2002,

Because most illegal immigrants work in low-wage occupations, they do not generate large tax revenues



FIGURE 4. CALIFORNIANS FAVOR WORK PERMITS FOR ILLEGAL IMMIGRANTS

Should immigrants who are in the U.S. illegally be allowed to apply for work permits which would allow them to stay and work in the United States, or shouldn't they be allowed to do that?



Source: PPIC Statewide Survey, September 2005

Californians' concern about illegal immigration has risen in recent months

a majority (53%) of Californians said that illegal immigrants and their children should have access to public services. In September 2005, a large majority (60%) of Californians said that illegal immigrants should be allowed to apply for work permits. In contrast, 63 percent of people in a CBS nationwide poll stated that illegal immigrants should *not* be allowed to apply for work permits.

HOW CAN PUBLIC POLICY ADDRESS ILLEGAL IMMIGRATION?

Most policies geared toward illegal immigration are federal rather than state policies. In California, recent debates have focused on drivers licenses (the state does not allow illegal immigrants to get licenses) and federal reimbursement for state costs incurred by illegal immigrants. A 2002 Little Hoover Commission report argued that California should establish a “Golden State Residency Program” to encourage integration among all immigrants, regardless of legal status, and offer public services to them (unless prohibited by federal law).²²

Federal efforts over the past 10 years have focused on border enforcement. The vigilante groups that unofficially patrol the border with Mexico reflect the sentiment of some that illegal immigration could be stemmed—if not stopped—if the United States beefed up border enforcement sufficiently. But border enforcement alone is not adequate to solve the problems of illegal immigration.

PPIC research has found that increased border enforcement, including tripling the number of agents along the Mexican border and building fences along some portions of it, has deterred some potential migrants. However, the amount of deterrence is quite small and is swamped by the economic pull of jobs and wages and the family ties that draw illegal immigrants to the United States.

Ironically, increased border enforcement has had the unintended consequence of increasing the number of illegal immigrants living here. Because enforcement has increased the danger and cost of crossing the border, many of those who come in now stay longer than they did before the buildup.²³ Many cyclical crossers have now become long-term settlers. Further, border enforcement has no effect on the many illegal immigrants who enter this country legally, with a tourist visa, for example, and then overstay or otherwise violate the terms of their visa, thus becoming illegal immigrants.

Almost all observers and policymakers agree that the large and rapidly growing number of illegal immigrants in the United States shows that our current policies are not working.

A number of proposals have been submitted in Congress to address this failure. These proposals vary widely, from measures concentrating primarily on enforcement—including one bill that would build a fence along much of the U.S.-Mexico border and deny citizenship to U.S.-born children of illegal immigrants—to bills that focus on guest worker programs. One key issue for the guest worker programs is whether the workers would be required to leave the United States after some period of time or could eventually qualify for legal permanent residency.

To be successful, policy reforms must address the root causes of illegal immigration. They must also consider the logistical, economic, and humanitarian difficulties of attempting to identify and deport over 10 million illegal immigrants residing in the United States, many of whom are the parents of U.S.-born children and the spouses of U.S. citizens.

Policies developed without an understanding of these causes and difficulties will fail. For example, a guest worker program that does not include the option of adjusting to permanent legal status after some years of working here will likely lead many guest workers to become illegal residents when their tenure as a guest worker ends.

Successful policies will also need to reduce the pull of jobs. One way is by developing meaningful employer sanctions, including accurate and verifiable documents that show an individual's right to live and work in the United States. Ultimately, economic development in sending countries will reduce the pressure to migrate. Policies that encourage investment (foreign aid or foreign direct investment) in their economies, including encouragement to create financial markets accessible to families, could foster such development.

Clearly, a complicated set of priorities and agendas continues to shape the debate around illegal immigration. As of this writing, the question of whether the debate can produce meaningful and effective reform has not yet been answered.

NOTES

- 1 Estimates of the illegal immigrant population are derived using a residual technique in which independently derived estimates of legal immigrants are subtracted from survey-based estimates of the entire noncitizen population in the United States to give estimates of the number of illegal immigrants. See Passel, Jeffrey S., and Roberto Suro. *Rise, Peak and Decline Trends in U.S. Immigration 1992–2004*. The Pew Hispanic Center, Washington, D.C., September 2005.
- 2 Passel, Jeffrey S. *Unauthorized Migrants: Numbers and Characteristics*. The Pew Hispanic Center, Washington, D.C., June 2005.
- 3 Warren, Robert. *Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990 to 2000*. Office of Policy and Planning, U.S. Immigration and Naturalization Service, Washington, D.C., 2003.
- 4 Reyes, Belinda I., Hans P. Johnson, and Richard Van Swearingen. *Holding the Line? The Effect of the Recent Border Build-up on Unauthorized Immigration*. Public Policy Institute of California, San Francisco, CA, 2002.
- 5 Because illegal immigrants make up a large share of noncitizens in the United States, and because the residual population estimates provide information about year of entry and country of origin, estimates of the characteristics of undocumented immigrants are reasonably reliable. The discussion of characteristics of illegal immigrants relies on Passel (2005, cited in note 2) and Camarota, Steven A. *Immigrants at Mid-Decade: A Snapshot of America's Foreign-Born Population in 2005*. Center for Immigration Studies Backgrounder, Washington, D.C., December 2005.
- 6 One estimate is that the average years of education among illegal immigrants in 1996 was 10.8 years, almost two years lower than among legal immigrants and 2.2 years lower than among U.S. natives. See Smith, James P. "Immigrants and the Labor Market." Working paper, EconWPA, August 2005.
- 7 For example, see Durand, Jorge, and Douglas Massey. *Crossing the Border: Research from the Mexican Migration Project*. Russell Sage Foundation, New York, N.Y., 2004.
- 8 Lowell, B. Lindsay, and Richard Fry. *Estimating the Distribution of Undocumented Workers in the Urban Labor Force: Technical Memorandum*. The Pew Hispanic Center, Washington, D.C., 2002.
- 9 This information is based on Bureau of Labor Statistics. "International Comparisons of Hourly Compensation Costs for Production Workers in Manufacturing, Supplementary Tables." Available at <http://www.bls.gov/fls/hcompsuptabtoc.htm>, and Mexican minimum wage data available at <http://www.banderasnews.com/0501/nr-minwages.htm>.
- 10 Massey, Douglas S. "Five Myths About Immigration: Common Misconceptions Underlying U.S. Border-Enforcement Policy." *Immigration Policy In Focus*, Vol. 4, Issue 6, August 2005.
- 11 Johnson, Hans P. *Undocumented Immigration to California: 1980-1993*. Public Policy Institute of California, San Francisco, CA, 1996.
- 12 Massey, Douglas S., and Nolan Malone. "Pathways to Legal Immigration," *Population Research and Policy Review*, Vol. 21, No. 6, December 2002.
- 13 Passel, see note 2.
- 14 U.S. Department of Labor. *Findings from the National Agricultural Workers Survey (NAWS) 2001–2002. A Demographic and Employment Profile of United States Farm Workers*. Office of the Assistant Secretary for Policy, Office of Programmatic Policy, Research Report No. 9., Washington, D.C., March 2005.

- ¹⁵ Flaming, Daniel, Brent Haydamack, and Pascale Joassart. "Hopeful Workers, Marginal Jobs; LA's Off-The-Books Labor Force." *Economic Roundtable*, Los Angeles, CA, 2005.
- ¹⁶ An excellent short summary of the research literature on this topic is available through the Congressional Budget Office. "The Role of Immigrants in the U.S. Labor Market," Available at <http://www.cbo.gov/ftpdocs/68xx/doc6853/11-10-Immigration.pdf>, November 2005.
- ¹⁷ Borjas, George J. "The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market." *Quarterly Journal of Economics*, Vol. 18, No. 4, 2003.
- ¹⁸ A lengthy discussion of immigrants (both legal and illegal) and the state's economy can be found at www.ccsce.com. Center for the Continuing Study of the California Economy. "The Impact of Immigration on the California Economy."
- ¹⁹ This determination is made by combining estimates from a National Research Council (NRC) study of the net fiscal effects of U.S.-born households in California with average expenditures for K-12 students in California. The NRC estimated that in 1996 the average U.S.-born household in California contributed \$1,946 more in state and local taxes than it received in state and local expenditures on services, excluding education expenditures. In 1996, state and local expenditures per K-12 student were \$4,702. Thus, an average U.S.-born household in California with one K-12 public school student received \$2,756 more in state and local services than it paid in taxes, and households with two students received \$7,458. Even if we include federal taxes and expenditures, families with children are still a net burden. Those with one child receive \$872 more in services than they pay in taxes at all levels of government and those with two children receive \$6,411 more. See National Research Council, "Do Immigrants Impose a Net Fiscal Burden? Annual Estimates." *The New Americans*, National Academy Press, Washington, D.C., 1997.
- ²⁰ The California Immigrant Welfare Collaborative lists health and welfare programs that immigrants in California are eligible for at http://www.nilc.org/ciwc/tbls_other-mats/Cal_Benefits_Table_0905.pdf.
- ²¹ Camarota, Steven A. *The High Cost of Cheap Labor: Illegal Immigration and the Federal Budget*. Center for Immigration Studies, Washington, D.C., August 2004.
- ²² Little Hoover Commission. "We The People: Helping Newcomers Become Californians." Report #166, Sacramento, CA, June 2002.
- ²³ See Cornelius, Wayne A. "Death at the Border: The Efficacy and Unintended Consequences of U.S. Immigration Control Policy, 1993-2000." Center for Comparative Immigration Studies. Working paper, University of California, San Diego, CA, 2000.

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