

Social Contract Report Generates Widespread Media Coverage

Fiscal Impact study on immigration costs impacts public policy debate

BY PETER B. GEMMA

The 70-page study on the costs to government agencies of unregulated and unrestricted immigration, “The Fiscal Impact of Immigration: An Analysis of the Costs to 15 Federal Departments and Agencies,” continues to make an impact in the media, on the Internet, and among the immigration reform community. The report, first published exclusively in the Winter 2007–2008 issue of *The Social Contract (TSC)*, was prepared by financial analyst Edwin S. Rubenstein, president of ESR Research.

The first-of-its-kind assessment of the fiscal impact of mass immigration on government departments and agencies found that each immigrant costs taxpayers more than \$9,000: the U.S. has 37 million immigrants, legal and illegal, which cost the federal government over \$346 billion last year in benefits and lost revenues, twice the national fiscal deficit. As Rubenstein states, “Immigrants are poorer, pay less tax, and are more likely to receive public benefits than natives.” Nationally syndicated columnist Phyllis Schlafly described TSC’s report this way:

Are you having a hard time paying your bills, making your mortgage payments or putting your kids through college? You need to know how much of your hard-earned income the government is skimming off and diverting into handouts to immigrants and illegal immigrants. You can read the depressing details

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in the new 70-page document called “The Fiscal Impact of Immigration: An Analysis of the Costs to 15 Federal Departments and Agencies,” by Edwin S. Rubenstein, a Manhattan Institute adjunct fellow with a mile-long scholarly resume ...” (see the bio at the end of this article).

The report — released during a press conference at the National Press Club in Washington, D.C. on April 8, 2008 — was covered as breaking news by national news organizations, including the Capital News Service and Cox Newspapers, as well as Salt Lake City’s *Deseret Morning News*, the *Houston Chronicle*, and the *Washington Times*. Also in attendance at the press event were representatives from the influential Brookings Institution and the Immigration Reform Caucus of the U.S. House of Representatives. Leaders from the immigration reform movement were there too, including *Middle American News*, the American Council for Immigration Reform, Pat Buchanan’s American Cause, Americans for Immigration Control, the American Unity Legal Defense Fund, ProEnglish, the Immigration Reform Law Institute, and FAIR. *Washington Times* reporter Hsin-Yin Lee filed a news story the next day which stated:

The report, which analyzed costs based on 15 separate federal agencies, estimated that the departmental impacts ranged from a high of \$146 billion at the Treasury Department to a low of \$300 million at the Defense Department. The loss estimates, the report said, included \$100 billion in federal taxes lost “from the reduction of native incomes caused by immigrant workers.” While a total of 15 federal departments were examined in terms of the fiscal impact of immigration,

Mr. Rubenstein said the federal budgets never provided a comprehensive analysis to the public.

The *Times* also reported that, “Wayne Lutton, editor of *The Social Contract*, which published Mr. Rubenstein’s study, criticized a recent call by Alan Greenspan, former Federal Reserve chairman, to allow even higher levels of immigration.... ‘What he really means is that salaries can be cut for educated American workers forced to compete with foreign competitors in their own country,’ Mr. Lutton said. ‘There really is no limit to the greed of cheap labor profiteers.’”

guage abilities, they take 25 percent of funding. Out of \$499.1 billion in the 2005 school year, \$125 billion was spent on foreign-born children.

Wooldridge went on to put these costs into perspective, noting that, “To place this human flood into perspective, on average, the U.S. government allows 182,000 legal and illegal alien immigrants into this country every month. The illegal alien migrants cost U.S. taxpayers \$346 billion annually as shown in this report.”

Ed Rubenstein and *The Social Contract* did have their critics too. The radical Southern Poverty



The Real Cost of Immigration

By INVESTOR’S BUSINESS DAILY | Posted Friday, April 4, 2008 4:20 PM PT

Investor’s Business Daily published an editorial, “The Real Cost of Immigration,” that declared: “Rubenstein’s groundbreaking study ... suggests that Washington doesn’t want to take a good look at the issue because the facts will spur the public to demand action to stop the hemorrhage of taxpayer money out-of-control immigration is causing.” Several publications and websites quoted the editorial including CNNMoney.com.

TSC’s report continues to reverberate on the internet with stories on such websites as the *Baltimore Sun* blog, the *American Conservative Daily*, *FireSociety.com*, *BlueStateFollies.com*, and the *Dustin Inman Society* blog. Frosty Wooldridge, noted critic of America’s immigration policies, wrote a long story about the impact of immigration on education on the *News With Views* website. He incorporated many of the findings in *TSC’s* Rubenstein report:

Immigration has a profound impact on education,” Rubenstein said. “Immigrant children are poorer than native-born children, and their numbers have increased far faster. At least 19 percent of all K–12 enrollments are the result of immigration. In excess of 9.2 million are immigrants or the children of immigrants. Because of their lack of lan-

Law Center claimed, “...no mention whatsoever is made of what most economists agree on—that immigrants, legal and otherwise, help grow the economy in ways that actually increase jobs for native Americans. But that’s no surprise, given where Rubenstein and his publisher are coming from.”

Columnist Phyllis Schlafly put those comments in perspective — and highlighted the impact of *TSC’s* Rubenstein report — when she wrote, “Some liberals are trying to tell us to fight a recession by bringing in more immigrants, but that would only raid the pockets of U.S. taxpayers to support more millions of non-taxpayers. It’s hard to say which is more outrageous: The diversion of Americans’ personal income into cash handouts to foreigners, or the federal government’s policy of concealing the fiscal impact of immigration.”

John Tanton, M.D., publisher of *The Social Contract* observed, “The extraordinary response to our report on the costs of immigration underscores the importance of our journal, *The Social Contract*. We are publishing original research, conclusive analysis, and valuable commentary on the wide range of issues that are connected to immigration. As various immigration-related crises continues to worsen, we expect to continue to expand the impact of our work.” ■