The Fiscal Bottom Line on Immigration Reform

The Costs of Enforcement-Only and the Benefits of Comprehensive Reform

Tax Day is an appropriate time to take stock of a few fiscal bottom lines about immigration enforcement and immigration reform. The federal government spends billions of taxpayer dollars every year on border and interior enforcement measures intended to deter unauthorized immigration. While these efforts have failed to solve the problem of unauthorized immigration, they have had a negative impact on American families, communities, and the economy. Were the United States to adopt a different approach by implementing comprehensive immigration reform, the legalization of currently unauthorized immigrants alone would generate billions of dollars in additional tax revenue as their wages and tax contributions increase over time.

Moreover, enforcement resources could be focused on finding individuals who are actually a threat to national security or public safety, rather than pursuing unauthorized job seekers and people trying to reunite with family members in the United States. Conversely, trying to remove roughly 11 million unauthorized immigrants from the country would waste hundreds of billions of taxpayer dollars.

We spend huge sums of taxpayer money on immigration enforcement...

- Since Fiscal Year (FY) 2004, the budgets of U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE)—the border-enforcement and interior-enforcement components of Department of Homeland Security (DHS)—have increased dramatically. CBP's budget grew from \$6 billion [1] in FY 2004 to \$11.4 billion [2] in FY 2010, while ICE's budget increased from \$3.7 billion [1] to \$5.7 billion [2] over the same period.
- Since FY 2005, Congress has allocated \$2.4 billion [3] to build fences along the southwest border—and another \$1.1 billion [3] to build a high-tech network of cameras and sensors known as "SBInet." However, there is no evidence that the fences actually deter unauthorized immigrants, and SBInet has been plagued by technical glitches, shoddy testing, and missed deadlines since its inception. On March 16, 2010, Homeland Security Secretary Janet Napolitano froze [4] SBInet funding, pending the outcome of a comprehensive review of the program.
- Based on figures from the U.S. Army Corp of Engineers, a fence along all 2,000 miles of the southwest border would cost at least \$2.5 billion [5] to build, plus anywhere from \$33 billion [5] to \$140 billion [5] to maintain over the following two-and-a-half decades, depending upon how many breaches the fencing sustains which must be repaired.

...yet unauthorized immigrants have not been deterred from coming to the United States when there are jobs available.

A research team led by Wayne Cornelius, Director of the Center for Comparative Immigration
Studies at the University of California, San Diego, has found that while unauthorized migrants
from Mexico may be caught on their first attempt at crossing the border, they have an <u>almost</u>
100 percent [6] chance of eventual success—particularly if they enlist the services of a coyote,
or people smuggler. Moreover, as border enforcement is tightened between ports of entry
along the southwest border, more migrants are being smuggled through ports of entry (sealed
in a compartment within a vehicle, or as a passenger with false or borrowed documents).

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• Research by Cornelius and his team have also found that undocumented migration from Mexico has diminished mainly because there are fewer jobs available in the United States.

Legalizing unauthorized immigrants would increase tax revenue.

- A January 2010 study by Dr. Raúl Hinojosa-Ojeda, conducted for the Immigration Policy Center and the Center for American Progress, estimates that during the first three years after legalization, the higher earning power of newly legalized workers "would generate \$4.5 to \$5.4 billion [7] in additional net tax revenue."
- A January 2010 study from the University of Southern California estimates that because unauthorized immigrants earn less than they would if they had legal status, the California state government lost out on \$310 million [8] in income taxes in 2009, while the federal government missed out on \$1.4 billion [8].

The alternative to legalization—deportation—would be a monumental waste of taxpayer dollars.

A March 2010 study by the Center for American Progress "calculates a price tag of \$200 billion [9] to enforce a federal dragnet that would snare the estimated 10.8 million undocumented immigrants in the United States over five years."

To read more on the economic impact of immigration on the state and local level, read:

 Assessing the Economic Impact of Immigration at the State and Local Level [10] (IPC Fact Check, April 13, 2010)

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- <u>Just the Facts</u>
- Economics of Immigration
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Links:

- [1] http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2006.pdf#page=20
- [2] http://www.dhs.gov/xlibrary/assets/budget bib fy2011.pdf#page=24
- [3] http://www.gao.gov/new.items/d091013t.pdf#page=2
- [4] http://www.dhs.gov/ynews/releases/pr 1268769368466.shtm
- [5] http://assets.opencrs.com/rpts/RL33659 20090316.pdf#page=31

[6]

 $http://www.immigrationpolicy.org/../../../default/files/docs/MigrationCornelius060809.pdf\%252\ 3page\%3D44$

[7]

http://www.immigrationpolicy.org/../../../default/files/docs/Hinojosa%20-%20Raising%20the%20Floor%20for%20American%20Workers%20010710.pdf%2523page%3D15

- [8] http://csii.usc.edu/documents/economic benefits immigrant authorization.pdf#page=3
- [9] http://www.americanprogress.org/issues/2010/03/pdf/cost_of_deportation.pdf#page=6 [10]

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http://www.immigrationpolicy.org/../../../../just-facts/assessing-economic-impact-immigration-state-and-local-level

[11] http://www.immigrationpolicy.org/sites/default/files/docs/Fiscal_Bottom_Line_041310.pdf