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A Divide on the Payoff of Legalizing Immigrants

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Granting legal status to the illegal immigrants living in one of Texas' largest metropolitan areas would generate at least \$1.4 billion a year in revenue for state and federal agencies, with [Social Security](#) and [Medicare](#) being the largest potential beneficiaries, according to an analysis by a Houston business group.

The report, from the [Greater Houston Partnership](#), says that the untapped revenue would be accessible if [immigration](#) reform — one that allowed illegal immigrants the chance to work legally and pay taxes — was realized. (The Greater Houston Partnership is a corporate sponsor of The Texas Tribune.)

Jeff Moseley, the chief executive of the 2,100-member group, said such reform makes sense in the current economy.

“The law is broken, and employers need to comply with the federal law,” said Mr. Moseley, a former Denton County judge who ran as a Republican. “But at the same time, the law needs to be business friendly, and it needs to recognize that there is a job to be done and we depend heavily on these very important workers.”

But the report has drawn criticism from advocates of a stricter immigration policy. Maria Martinez, the executive director of the Immigration Reform Coalition of Texas, accused the partnership of being little more than peddlers of economic snake oil for neglecting to account for the financial drain of providing services to illegal immigrants.

Ms. Martinez's group has supported a ban on so-called sanctuary cities in Texas, citing the need to preserve jobs for citizens and the potential financial benefits of removing illegal immigrants from Texas.

The partnership's revenue assessment is the result of calculating the additional contributions of the estimated 132,000 illegal immigrants in the Houston area if they and their employers had paid taxes on the estimated \$7 billion in salary and wages they earned in 2008. Social Security would receive \$852 million and Medicare would receive \$206 million. The Department of the

Treasury and the Texas Workforce Commission would receive about \$336 million and \$33 million respectively.

The report focuses on the Houston-Sugar Land-Baytown metropolitan area, which includes 10 counties. But Patrick Jankowski, the author of the report and the partnership's vice president for research, said the assumptions and methodology could be applied elsewhere because he used data from public sources — like the Bureau of Labor Statistics — and the Pew Hispanic Center.

The population is an estimate from 2008 based on information from the Pew Hispanic Center, and the analysis is based on that year's earnings.

“If my count on the amount of undocumented workers is too low, the contributions would actually be much higher,” Mr. Jankowski said.

Ms. Martinez from the reform coalition, said the business group had simply found a way to create a study without including all the costs.

“The finest business schools in the country train individuals, entrepreneurs, what have you, the importance of transferring costs upon an unsuspecting public,” Ms. Martinez said. “That's what's happening obviously here with the Greater Houston Partnership.”

[Demetrios Papademetriou](#), the president and co-founder of the [Migration Policy Institute](#), an independent research group in Washington, D.C., said the analysis did not account for how much illegal immigrants cost taxpayers for services. “You cannot do any accounting exercises unless you work on both sides of the ledger,” he said.

Mr. Papademetriou said the study would have also benefited from analyzing what an “equally qualified” legal resident or citizen was earning in Houston for working the same position as the illegal immigrant.

For that, stakeholders must turn to a six-year-old study conducted by Carole Keeton Strayhorn, the former state comptroller. That analysis said that if Texas went without the estimated 1.4 million illegal immigrants who lived in the state in 2005, it would have lost about \$17.7 billion in gross domestic product that year.

Illegal immigrants also produced more in-state revenue, \$1.58 billion, than what they cost in state services, \$1.16 billion, although local governments lost about \$1.44 billion in health-care and law-enforcement costs that were not reimbursed by the state, according to the study by Ms. Strayhorn.

A spokesman in the office of Susan Combs, the current comptroller, said the agency had no plans to update the study.

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