

How illegal immigrants are helping Social Security

By Edward Schumacher-Matos
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The contributions by unauthorized immigrants to Social Security -- essentially, to the retirement income of everyday Americans -- are much larger than previously known, raising questions about the efforts in many states and among Republicans in Congress to force these workers out.

In response to a research inquiry for a book I am writing on the economics of immigration, Stephen C. Goss, the chief actuary of the Social Security Administration and someone who enjoys bipartisan support for his straightforwardness, said that by 2007, the Social Security trust fund had received a net benefit of somewhere between \$120 billion and \$240 billion from unauthorized immigrants.

That represented an astounding 5.4 percent to 10.7 percent of the trust fund's total assets of \$2.24 trillion that year. The cumulative contribution is surely higher now. Unauthorized immigrants paid a net contribution of \$12 billion in 2007 alone, Goss said.

Previous estimates circulating publicly and in Congress had placed the annual contributions at roughly half of Goss's 2007 figure and listed the cumulative benefit on the order of \$50 billion.

The Social Security trust fund faces a solvency crisis that would be even more pressing were it not for these payments.

"If for example we had not had other-than-legal immigrants in the country over the past," Goss e-mailed me, "then these numbers suggest that we would have entered persistent shortfall of tax revenue to cover [payouts] starting [in] 2009, or six years earlier than estimated under the 2010 Trustees Report."

Americans are faced with the difficult choice of cutting pensions, delaying the retirement age or raising taxes if we want to maintain the solvency of what has been the centerpiece of social welfare for ordinary Americans since the 1930s.

Legal immigrants are also net contributors to the pensions of the rest of us because they are relatively young as a group. But the benefit we receive from unauthorized immigrants carries special irony. Immigration restrictionists in Arizona, Virginia, Texas and almost every state in the country are pushing bills and local ordinances to force them out by making it difficult to get jobs, rent apartments, send their children to college or drive cars.

The [Pew Hispanic Center estimated](#) this week that the number of unauthorized immigrants in the country dropped from a peak of 12 million in March 2007 to 11.1 million in March 2009. The drop is due in part to the recession but also to the hostile atmosphere toward unauthorized immigrants.

The Obama administration isn't helping much. Barack Obama, like George W. Bush before him, favors legalizing most of the unauthorized. But in making enforcement systems tighter to curtail future illegal immigration, his administration is deporting ever more of the ones already here -- to the tune of 400,000

this year. Yet the administration has resisted pressuring congressional Democrats to craft a legalization bill, in part because of Republican opposition.

Adding to the Social Security irony is that the restrictionists are mostly older or retired whites from longtime American families. The very people, in other words, who benefit most from the Social Security payments by unauthorized immigrants.

The Social Security actuaries estimate that two-thirds of unauthorized immigrant workers, or 5.6 million people, were paying into the system in 2007. Roughly half used a Social Security number tied to an invented name or one that belonged to someone else. Of the rest, many got legal cards when they entered the country under a temporary work visa. They stayed illegally after their visas expired.

About 180,000 unauthorized immigrants received about \$1 billion in fraudulent benefits in 2007, Goss said. These benefits are subtracted from the net contribution. Few of the unauthorized workers are likely to receive anything, ever. About the only way they might would be if they were to become legal, and they had paid their withholding taxes using their true names.

The decline in illegal immigration, plus tighter workplace enforcement, means that contributions from the unauthorized will decrease. But as Goss notes, they remain, because of larger families, a positive contributing factor to Social Security solvency.

Somebody ought to say thank you.