Immigration, Poverty, and Socioeconomic Inequality

David Card and Steven Raphael, Editors

The National Poverty Center Series on Poverty and Public Policy

Russell Sage Foundation ♦ New York
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Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance.


Chapter 12

Immigration and Redistributive Social Policy

Cybelle Fox, Irene Bloemraad, and Christel Kesler

The pervasiveness of contemporary immigration and the historic image of the United States as a nation of immigrants make it hard to remember that in 1965 almost 95 percent of the U.S. population was native born (Gibson and Lennon 1999). Immigration was a negligible issue, and few could imagine the diversity we see today. Indeed, in signing the Immigration and Nationality Act of 1965, President Lyndon B. Johnson proclaimed, “This bill . . . is not a revolutionary bill. It does not affect the lives of millions. It will not reshape the structure of our daily lives.” Johnson could not have been more wrong. The removal of racially restrictive national-origin quotas and their replacement by a set of preference categories based on family ties, economic contribution and flight from persecution opened the doors to mass migration. By 2011, more than 40 million people, or 13 percent of the country’s residents, were born outside the United States. In California, the most “immigrant” state in the nation, more than one in four people were foreign-born.

The dramatic changes in immigration since 1965 have overlapped with other significant transformations in U.S. society. About a decade or so after Johnson signed the Immigration and Nationality Act, the United States started on a trajectory of growing inequality between the richest and poorest residents, one that continues to the present day (Piketty and Saez 2003; McCarty, Poole, and Rosenthal 2006). Rising inequality, however, has not been offset by more generous welfare spending for poor people. Over this period, the politics of welfare retrenchment steadily gained ground. In 1996, President Clinton, fulfilling his pledge to “end welfare as we know it,” signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). As a result, the number of welfare recipients plummeted from an all time high of 14.2 million in 1994 to 3.8 million by 2008 (Danziger 2010, 528).

Some observers suggest that these phenomena may be linked. Immigration
scholars and advocates, for example, point out that among its provisions, PRWORA included an entire section affecting noncitizens, in many cases eliminating their eligibility altogether. More broadly, in their detailed look at economic inequality and political polarization, Nolan McCarty, Keith Poole, and Howard Rosenthal have argued that the "movement to the right, away from redistribution, has been facilitated by immigration... Because noncitizens are ineligible to vote, less pressure to redistribute comes from the bottom of the income distribution" (2006, 13). Others suggest a more diffuse mechanism: as societies diversify due to immigration, feelings of solidarity and mutual obligations fade and, with it, social trust and a political commitment to redistribution (Goodhart 2004a, 2004b; Putnam 2007). Has the dramatic rise in immigration affected redistribution in the United States? This chapter investigates that question by examining variation in U.S. state spending on low-income individuals over time.

We examine some of the reasons that two seemingly separate phenomena—rising immigration and changing social redistribution—might be causally related. Although the subject has been touched on by a handful of scholars, and at times debated by political observers, we know of no study in the United States that systematically lays out distinct theoretical accounts for why these phenomena might be linked. We analyze empirical trends, first through a descriptive profile of patterns at the national level followed by a detailed statistical analysis across U.S. states and over time. Do states with more immigration provide fewer resources to low income residents than states with less immigration? Have states that experienced larger increases in their immigrant population seen more cuts or slower growth in social spending than states with smaller increases in the proportion of immigrants? Our empirical results underscore the enduring significance of racial dynamics in understanding patterns of social spending in the United States. But they also reveal some surprising findings, including evidence that challenges a simple story that growing immigration generates a backlash against redistribution.

### WHY MIGHT IMMIGRATION AFFECT REDISTRIBUTIVE SOCIAL SPENDING?

We focus on three possible mechanisms by which immigration might influence redistributive social spending: noncitizen disenfranchisement, racial or immigrant threat, and racial fractionalization. An understanding and appreciation for the distinctions between these models are important not only for careful empirical analysis, but also because the postulated mechanisms suggest quite different policy responses for those concerned about redistributive social policy in the United States.

#### Noncitizen Disenfranchisement

Immigration may hinder redistribution because, with very few exceptions, noncitizens cannot participate in elections. Although the U.S. naturalization process is quite open compared to that of many countries, citizenship acquisition is relatively low: fewer than 45 percent of the foreign born were naturalized citizens in 2011. This is in part due to the substantial undocumented population; an estimated 11 million people, about 28 percent of all foreign-born individuals, live as unauthorized residents (Hoefler, Rytina, and Baker 2011; Passel and Cohn 2011). But even among those legally eligible, many do not acquire citizenship, in part because fees have risen precipitously over the last fifteen years and institutional support for naturalization is limited (Bloomraad 2006). The proportion of noncitizens in U.S. states varies significantly, from less than 1 percent in places such as Montana and West Virginia, to 10 percent or more: 15 percent in California, 12 percent in Nevada, 11 percent in Texas, and 10 percent in New York, and New Jersey (for state data, see table 12.A1). Nationally, 7 percent of the population did not hold U.S. citizenship in 2011. The presence of a large group of people excluded from the political system raises important questions about democratic legitimacy. It could also lead to public policies at odds with those that would have been passed if noncitizens had electoral voice (Citrin and Highton 2002).

Potential policy effects depend, however, on whether noncitizens have interests or preferences distinct from those of citizens who participate in elections. Noncitizens might prefer social spending more than U.S. voters because of favorable attitudes to redistribution that they bring from their homelands (Rob 2008), due to sympathy with newly arriving, poorer compatriots, or because of their personal socioeconomic situation. In regards to the latter, in 2009, the median income of noncitizen households was just $39,983 versus $51,919 for native-born households; this income also supported, on average, more people in noncitizen households. Surveys of the general U.S. population typically find greater support for social welfare spending among those with less income (AuClaire 1984; Hasenfeld and Rafferty 1989). If the relationship between socioeconomic condition and support for redistribution is equally applicable to the noncitizen population, we would expect noncitizens to back such policies more than citizens. Indeed, McCarty, Poole, and Rosenthal (2006) conclude that the rise in the number of noncitizens is a crucial explanation for why rising inequality has not translated into more political pressure for redistribution. Noncitizens are disproportionately poor and disenfranchised while citizens, who tend to be richer, vote for policies that benefit themselves.

The disenfranchisement hypothesis rests on three key assumptions: that noncitizens do, in fact, have different policy preferences for redistribution; that, if given the vote, noncitizens would cast a ballot; and that the newly disfranchised could affect policy by voting in support of redistributive social policies. Because virtually no academic analyses of the immigrant disenfranchisement hypothesis have been undertaken, we consider the potential validity of each assumption.

First, scholars know little about the actual policy preferences of noncitizens. Surveys tapping political preferences often restrict their sample to citizens or likely voters. In general opinion polls, interviewers rarely collect data on respondents’ citizenship status or birthplace. Even when they do, the sample of noncitizens is usually too small to generate accurate inferences to the entire population of noncitizens. To get a sense of noncitizens’ policy preferences on social spending, we leverage...
Table 12.1: Attitudes Toward Taxes and Spending, California Residents, 2010-2012

<table>
<thead>
<tr>
<th></th>
<th>Noncitizens</th>
<th>Naturalized Citizens</th>
<th>U.S.-Born Citizens</th>
<th>Registered Voters</th>
<th>Likely Voters</th>
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</thead>
<tbody>
<tr>
<td>Would you pay higher taxes to maintain health and human services?</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>71.9</td>
<td>52.5</td>
<td>51.5</td>
<td>50.5</td>
<td>48.0</td>
</tr>
<tr>
<td>No</td>
<td>26.0</td>
<td>45.2</td>
<td>45.7</td>
<td>46.9</td>
<td>49.6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2.1</td>
<td>2.4</td>
<td>2.8</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tr>
<tr>
<td>N</td>
<td>1,119</td>
<td>1,789</td>
<td>8,965</td>
<td>10,063</td>
<td>7,911</td>
</tr>
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Would you support or oppose spending cuts to health and human services? 

<table>
<thead>
<tr>
<th></th>
<th>Support</th>
<th>Oppose</th>
<th>Don’t know</th>
<th>Total</th>
<th>N</th>
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<tr>
<td>Percentages are calculated using survey weights and do not always equal 100 due to rounding. The number of survey respondents reported is the unweighted sample.</td>
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The Public Policy Institute of California’s (PPIC) Statewide Survey, a poll that seeks to reflect the views of all adult Californians, regardless of nativity or citizenship. Two questions are particularly germane: whether the respondent would be willing to pay higher taxes to maintain health and human services in California, and whether the respondent supported or opposed spending cuts to health and human services. Table 12.1 shows differences of opinion—some of which are substantial—between various groups of Californians. Noncitizens are by far the most supportive of using tax dollars to maintain program funding, 72 percent, and the most likely to oppose spending cuts, 77 percent. Support for taxpayer-funded health and human services diminishes as we move from naturalized citizens to U.S.-born citizens, and even further when we consider only those who report being registered voters. Strikingly, those who are likely voters—people who have voted regularly in the past—are the least likely to favor tax increases to maintain funding, 36 percent, and they are the least likely to oppose spending cuts, 35 percent, relative to the other groups. This suggests a wide gulf in policy preferences, at least on this issue, between noncitizens and those citizens most likely to vote in California elections.

But are these attitudinal differences large enough to affect the outcome of redistributive policy battles? A second assumption of the disenfranchisement hypothesis is that, were they given the right to vote, noncitizens would use the power of the ballot box. Some evidence indicates that naturalized black and Latino citizens report voting more than their U.S.-born counterparts (Ramakrishnan and Espenshade 2001; Ramakrishnan 2005). However, those who naturalize are a self-selected group, in terms of both interests and resources. For example, naturalized immigrants might seek citizenship because they are more interested in politics than the average person. We also know that characteristics that influence voting, such as higher education, also facilitate and help predict the acquisition of citizenship. Among the general population, those with less education and less income are also less likely to vote. This suggests that even if the United States were to allow noncitizen suffrage tomorrow, it is not clear how many current noncitizens would avail themselves of the opportunity.

Finally, even if we assume that noncitizens have distinct policy preferences and that they would exercise formal political voice if permitted, the disenfranchisement hypothesis assumes that their participation would be consequential. Is this likely?

One context where it might matter is in places that permit direct democracy through initiatives and referenda. In these cases, noncitizen voting might tip the scales in favor of greater redistribution, at least in states with large noncitizen populations. California, which has more noncitizens than any other state, is well known for its use of initiatives and referenda: voters regularly make decisions on everything from property taxes to use of the death penalty. The survey data from table 12.1 suggest that, if we consider likely voters with a clear opinion, a slight majority, 50.8 percent, would oppose tax increases to maintain health and human services. However, if all California residents, including noncitizens, could vote, a ballot initiative in favor of higher taxes to fund health and human services would pass with 52.8 percent of all votes cast. That is, noncitizens could change the trajectory of redistribution in a state, choosing taxes over social spending cuts.

On the other hand, only a minority of states allows initiatives on statutory matters, and most redistributive questions are settled through the legislature. A second common way that voters affect policy outcomes is to back parties or candidates they hope will represent their views in the legislature (Brooks and Manza 2007). Yet some political scientists have shown that elected officials pay relatively little attention to the views of their poorer constituents (Gileps 2005; Bartels 2008; Hacker and Pierson 2010). For example, based on his analysis of more than 1,900 proposed policy changes and actual policy adoption, Martin Gileps argues that when Americans with different income levels differ in their policy preferences, actual policy outcomes strongly reflect the preferences of the most affluent but bear virtually no relationship to the preferences of poor and middle income Americans (2005, 778).

A different way, even if noncitizens were much more likely to support redistribution and had the opportunity to vote on this basis, this research suggests that their views would not count for much.

Noncitizens also tend to live in political districts already held by Democrats—the party most associated with redistributive social spending. Considering the twenty congressional districts with the highest foreign-born populations in 2009,
ranging from Florida's 21st district (55.5 percent) to California's 38th district (37.3 percent), we find that seventeen of the twenty are held by Democrats. The three Republican representatives all come from the Miami area, and none are conservative ideologues, at least relative to other members of their party. If we consider the ten California congressional districts with the highest incidence of noncitizen disenfranchisement among residents, ranging from the 31st district in the Los Angeles area (35 percent) to the 39th district (about 20 percent), we find a similar story. All ten districts are held by Democrats, and in all but one of these, the Democratic candidate won handily over the challenger in the 2010 elections. This suggests that naturalized immigrants and U.S.-born co-ethnics might, in part, be providing political voice to noncitizens. Of course, partisan outcomes in other elections—he in other places, or for state or local elections—might change if noncitizens could vote. Also, noncitizens could help elect Democrats who more strongly favor redistribution, all else equal. Nevertheless, it is certainly not the case that extending the vote to noncitizens would redraw, overnight, the partisan map of the United States.

In sum, the possible effect of noncitizen disenfranchisement on redistributive social spending is not straightforward. One the one hand, noncitizens appear to support redistribution more than citizens and, on the aggregate, could benefit more from redistributive social spending given lower incomes and higher poverty rates. In direct democracy systems with significant numbers of noncitizens, they could conceivably swing specific redistributive votes. On the other hand, suffrage rights do not automatically translate into voter turnout, and evidence exists that elected officials pay little attention to the views of their poorer constituents.

Group Threat

Noncitizen disenfranchisement is not the only way immigration may influence redistribution. The pioneering work of V. O. Key (1949) and Hubert Blalock (1967) suggests immigration and redistribution might be linked through the dynamics of group threat. A group threat model argues that dominant group support for and actual spending on social welfare policies will decrease as the proportion of the subordinate group increases due to a feeling of threat—social, economic, cultural, or political—among the dominant group. Threatened majority group members then use the ballot box to voice their anxiety, supporting candidates that oppose generous social welfare programs.

The threat model was originally developed to understand relations between blacks and whites, but it can be extended to other U.S. racial minorities. The growth in immigration over the last four decades has had a profound impact on the racial and ethnic composition of the United States. In 1965, Latinos and Asians combined made up scarcely more than 2 percent of the U.S. population; by 2010, their share had increased to almost 24 percent (Humes, Jones, and Ramirez 2011). It is possible that American citizens, especially those in the white majority, feel threatened by the rapidly changing racial and ethnic composition of American society and express this fear through decreasing support for redistribution.

Previous research has found some evidence that states or cities with more Latinos spend less on social welfare (Preuhs 2007; Fox 2010), have less generous benefit levels (Hiro and Preuhs 2007; Preuhs 2007; Fellows and Rowe 2004) and are more likely to adopt punitive social welfare programs (Gais and Weaver 2002; Soss et al. 2001; Fox 2012). Not all studies, however, find such an effect, and most do not find consistent effects across all measured outcomes (Fellows and Rowe 2004; Gais and Weaver 2002; Soss et al. 2001). With respect to Asian populations, too, our knowledge, no studies find a negative relationship between the size or share of the Asian population and social welfare spending, but the threat hypothesis would suggest that this is a possibility. Southeast Asians, many who came to the United States as refugees, have been stereotyped as welfare dependent, and in the run-up to welfare reform in 1996, elderly Chinese immigrants were accused of migrating to the United States with the sole purpose of receiving Supplemental Security Income benefits (Fujiwara 2008; Reese 2005, 184). Using the National Election Study, Jack Citrin and his colleagues (1997) found that respondents who had cooler feelings toward Asians (and Latinos) tended to support delays of one year in the provision of benefits to immigrants.

We can also imagine a group threat story centered on migrants as foreigners, rather than on racial minorities. Immigrants' cultures, religions, languages, and perceived un-American habits may generate feelings of threat, as could the sense that foreigners are invading the country, undermining the social, economic, political, and cultural fabric of the United States (for example, Huntington 2004). Indeed, Leo Chavez's (2001) study of popular magazine covers shows recurring images of borders or coastlines under siege by waves of newcomers, visual representations that certainly convey threat for some Americans.

The limited empirical evidence evaluating an immigrant threat effect is mixed. In a study of city spending on public and private relief on the eve of the Great Depression, Cybelle Fox (2010) finds that cities with more European immigrants spent more on relief than cities with more native-born whites. In the contemporary period, Daniel Hopkins argues that hostile political reactions to immigrants are more likely in communities that undergo sudden influxes of immigrants, but only "when salient national rhetoric reinforces the threat" (2010, 40). Hopkins's measures of "politicized reactions" tap anti-immigrant sentiment more than attitudes toward redistribution, so it remains an open question whether immigrant threat is a separate and consequential process for social spending beyond existing models of racial threat.

Fractionalization

Fractionalization models consider how the overall level of diversity or heterogeneity in a community might affect welfare spending and public goods (Alesina and Glaeser 2004). These models do not rely on a sense of particular threat by one
group vis-à-vis another. Instead, it is alleged that diversity “fractures” group cohesion and can reduce social spending through a series of mechanisms undermining class consciousness (Gitlin 1995), social solidarity (Carens 1988; Miller 1995), or levels of trust and generosity (Putnam 2007), all factors that are presumed necessary for the development and preservation of a generous welfare state. Importantly, the fracturing effects of diversity even undermine ties among people of the same background such that everyone in heterogeneous communities ends up “hunkering down,” in Robert Putnam’s terminology (2007, 149).

A capacious fractionalization approach defines diversity to include any socially significant difference, whether due to race, ethnicity, culture, language, religion, or national origin. This makes the argument particularly relevant for communities experiencing rapid changes due to immigration (Banting and Kymlicka 2006; Crepaz 2008; Putnam 2007; Soroka, Johnston, and Banting 2006). The empirical evidence for a specific immigrant effect is, however, contested. Although Putnam suggests that, “In the short to medium run . . . immigration and ethnic diversity challenge social solidarity” (2007, 138), he relies on measures of ethno-racial fractionalization rather than ones specific to immigration. Indeed, U.S. research examining the effects of fractionalization finds the strongest and most consistent effects for racial and ethnic fractionalization (Alesina and La Ferrara 2002: Hero 2003). In contrast, a cross-national study that used twenty-six immigrant-related diversity measures finds no evidence that higher immigration correlates with reduced generalized trust (Hooge et al. 2009), a finding replicated by Maurice Gesthuizen and his colleagues (2009). The presumption is that higher trust correlates with more generous social policy. Given, in the U.S. context, the significance of racial fractionalization on measures of trust and redistribution, we focus on it.

EVALUATING WHETHER IMMIGRATION MATTERS FOR REDISTRIBUTION: THE NATIONAL CONTEXT

All three sets of arguments we outline—noncitizen disenfranchisement, group threat, and fractionalization—suggest that as the immigrant population in the United States increased after 1965, these demographic changes drove down, or slowed down, government spending on social benefits. Can we find empirical evidence to support these hypotheses? We first examine national trends, focusing on income assistance programs that target low-income individuals.

Income maintenance programs in the United States are funded by a complicated and ever shifting mix of federal and state dollars. Some income maintenance programs come in the form of cash assistance for needy individuals. These include Temporary Assistance to Needy Families (TANF), formerly Aid to Families with Dependent Children (AFDC); Supplemental Security Income (SSI); and General Assistance. Other programs offer nutritional assistance, including the Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps, and WIC, for Infants, and Children. Assistance programs also include those providing credits through the tax system, principally the Earned Income Tax Credit (EITC) and the Child Tax Credit. Some of these programs are funded and administered by the federal government, such as EITC; some are administered by states with both federal and state funding, such as AFDC-TANF; and others are financed and administered solely by state and local governments, such as General Assistance. In addition, states may choose to use state funds to supplement federal programs, such as SSI and EITC (for an extended discussion of the social safety net, see chapter 11, this volume).

It is important to consider trends in participation in all of these programs, rather than only focus on a single program like AFDC-TANF, a traditional focus of welfare studies. First, scholars who suggest that there might be a trade-off between immigration and redistribution conceive of redistribution in broad terms; they worry that total social support for the poor will decrease in response to greater diversity. Second, the more holistic approach is necessary because all these programs target those in need, and because people move between the different programs (Schmidt 2004). For example, to reduce state welfare costs, states have long used concerted efforts to move their AFDC-TANF recipients onto the SSI rolls because SSI benefits are both more generous and federally funded. AFDC-TANF families also have large financial incentives to move a family member onto SSI if they can qualify. In 2008, a single mother with two children living in Texas who would have qualified for only $24 a month in TANF benefits. But if one of those children transferred onto the federal SSI program, the total family benefit would have increased to $848 (Wiseman 2010). If we only focused on AFDC-TANF, we would not be able to capture individuals who transfer from AFDC-TANF to SSI or General Assistance. We would also fail to capture those who left AFDC-TANF to work but who continue to receive food stamps or began receiving EITC. From the perspective of poor and low-income families, all of these transfers provide redistributive benefits.

Considering all of these programs, we find limited evidence for a negative relationship between immigration and income maintenance programs. Figure 12.1 tracks the total number of participants in these various income-transfer programs since 1965, when the Immigration and Nationality Act reopened the doors to mass migration. The AFDC-TANF trend line seems most consistent with a story about welfare retreatment in the face of increased immigration: after participation in AFDC increased during the Great Society period of policy expansion, which started in 1964, it then stabilized after the 1972 presidential election and Nixon's shift to the right on welfare issues, only to decline precipitously after the 1996 welfare reforms replaced AFDC with TANF. Beyond AFDC-TANF, however, we see considerable expansion in the SNAP and EITC programs, a gradual but sustained expansion of the WIC program, and a more modest expansion of the SSI program.

In addition to individual participation, we can also examine how income transfers per poor person have changed over this period. We use data from the U.S. Department of Commerce’s Bureau of Economic Analysis (BEA), which estimates federal and state government transfers received by people who live and work in each state. The BEA divides their data into four categories: family assistance (AFDC-TANF); SSI; SNAP; and “Other,” which includes EITC, Child Tax Credits,
General Assistance, Energy Assistance, Refugee Assistance, and foster care payments.\textsuperscript{15}

Figure 12.2 plots total income maintenance transfers per poor person from 1965 to 2008 (in constant 2008 dollars) against the foreign-born share of the population.\textsuperscript{14} As the foreign-born share grew from 5 percent to more than 12 percent over the four decades, per poor person transfers for all income maintenance programs, combined, also increased. In figure 12.3, we disaggregate the total-transfer measure into its component parts. Here we can see that much of the increase in total transfers came from “other social spending,” reflecting the significant expansion of the EITC program over this period. SSI and SNAP transfers grew much more modestly, while family assistance transfers declined significantly over time, providing a similar story to that of program participation numbers in Figure 12.1. Clearly no simple story supports an immigration-social spending trade-off.

Income transfer spending per poor person is a function of eligibility rules, take-
up rates, and benefit levels. Figure 12.4 homes in on this last component: changes in the maximum state AFDC-TANF benefit for a family of three, averaged across all states for each year in the time series.17 We clearly see that the real value of such benefits has declined precipitously over time as the proportion of the immigrant population has increased; the relationship is consistent with the argument of a trade-off between immigration and welfare generosity.

In sum, social spending as a whole has increased during this period of rising immigration, but AFDC-TANF benefits—whether measured as the number of recipients, the dollar amount spent per poor person, or maximum benefit levels—have clearly declined. The two opposing trends—increases in total redistributive spending, but decreases in welfare spending—indicate no simple relationship between redistribution policy and immigration. Of course, it is possible that total social spending might have increased even more had there been little or no immigration. Alternatively, the overall increase in spending could suggest a positive relationship between immigration and redistribution, at least in some areas. Significantly, although growth in the population of poor immigrants might increase total social spending (given a larger pool of recipients), our measures of spending per poor person suggest that, even net of demographic growth, governments in the United States have been, on average, providing more financial resources per poor resident. We cannot tell, however, from this simple set of national trend lines whether the correlations between the growing proportion of foreign-born residents and redistributive social spending might be spurious, driven by other factors that have changed over time. To get some purchase on this, we increase our effective sample size by turning to interstate differences in spending.

Source: Authors' compilation based on Hoyes (2011), Urban Institute (2011), and Ruggles et al. (2010).

EVALUATING WHETHER IMMIGRATION MATTERS FOR Redistributions: DIFFERENCES BETWEEN STATES

Shifting our attention to the states allows us to take advantage of the fact that states have different levels of immigration and different rates at which their immigrant population changes. For example, Massachusetts has more foreign-born residents than Georgia (14 percent and 9 percent, respectively), but Georgia's immigrant population has grown much faster, increasing 8.5 percentage points over the last four decades versus only 4 points in Massachusetts (see table 12.A1). By comparing states, we can see whether total transfers are lower in states that have a large immigrant population, like Massachusetts, but also whether they grow more slowly in states that have had big increases in their immigrant populations, like Georgia.

To do this, we created a time series dataset for fifty states from 1965 through 2008.18 This gives us more than 2,000 data points, allowing us to test various theories about the relationship (if any) between immigration and redistribution. We start in 1965 because of data availability and because this is the year President Johnson signed the Immigration and Nationality Act, opening the door to contemporary migration. We include data on social spending, benefit maximums, poverty, states' fiscal capacity, unemployment, and demographics drawn from various sources: the Bureau of Economic Analysis, the U.S. Census and American Community Surveys, the Current Population Survey, and secondary sources.

Our first set of analyses focuses on two dependent variables related to actual social spending. One is a measure of family assistance transfers (AFDC-TANF), per capita, in constant 2008 dollars. This is a common focus in U.S. welfare studies. Family assistance was also the only income maintenance program to show a decline in spending over time. Finally, family assistance is funded by both state and federal moneys, whereas many of the other programs we examine are funded largely by federal transfers. As a result, if there is a trade-off between immigration and redistributive spending working through states' political decision-making, it may lie primarily in family assistance.

Our second indicator is a measure of combined federal and state income maintenance transfers per capita in constant 2008 dollars.19 This measure captures the relationship between immigration and total redistributive spending as experienced by state residents on the ground. This is important because funding sources for income maintenance programs have shifted significantly over time. In 1965, states played a much larger role relative to the federal government in funding income maintenance programs than they do today, a shift that has been accelerating since the 1990s (Moffit 2007). Indeed, as states pulled back on AFDC-TANF funding, the federal government expanded eligibility and spending on EITC, helping fill part of the void left by state cuts. TANF and EITC are not perfect substitutes, however, and many poor families have struggled to find or keep work in the after-
math of welfare reform, rendering it difficult to take advantage of EITC and generating substantial hardship (Danziger 2010). Nevertheless, because we are interested in whether total redistribution declines for the poor in the face of growing immigration, we contend that analysts must consider this more holistic measure as well.

Indeed, changing rules regarding the eligibility of immigrants for social benefits further justifies attention to combined state and federal spending. Between 1972 and 1996, states were prohibited from establishing eligibility restrictions for welfare programs that targeted legal immigrants. Most unauthorized migrants were barred from using income maintenance programs during this period, but most legal immigrants were treated the same as U.S. citizens. Under the 1996 welfare reform act, however, significant eligibility restrictions were legislated, which barred some legal immigrants' access to income maintenance; restrictions did, however, vary by program area, as outlined in the previous chapter. Most legal immigrants who entered the United States after PRWORA was enacted were denied TANF, SSI, and food stamps, but most legal immigrants remain eligible for the EITC, and all immigrants—regardless of status—remain eligible for WIC.

Things become even more complex when we consider that after 1996, states were permitted to pass more stringent immigrant TANF restrictions than the federal government, but they could also choose to use their state funds to cover immigrants barred by federal law. State responses consequently ran the gamut from those that choose to deny more categories of immigrants than required by federal law, to those that created replacement programs to cover many legal immigrants barred from federal programs. Many states fell between these extremes. More confusing still, since the 1996 reforms, the federal and state governments continue to amend their laws—sometimes yearly—to broaden or restrict immigrant eligibility (Zimmerman and Tumlin 1999; Tumlin, Zimmerman, and Ost 1999). Given all of these changes, it is not surprising that chapter 11 finds that immigrant participation in social welfare programs decreased after 1996. Some observers argue that this may be because some noncitizens were no longer eligible, because of confusing rules, or due to a “chilling effect” that made eligible noncitizens reluctant to apply for benefits (Fix and Passel 2002; Watson 2010). Total transfers may have decreased when immigrants were dropped from assistance, but it is also possible that immigrants switched to state or federal programs with fewer restrictions. Dropping out of, or moving between, benefit programs likely varies over time and between states due to local legislation, bureaucratic procedures, and varying administrative support for poor residents. These variations further underscore the need for a holistic analysis of spending. If the federal government fills in when a state pulls back on social welfare spending, because immigrants shift from TANF to SSI or EITC, for example, we expect to find no relationship between immigration and actual redistribution—an important possibility to consider. On the other hand, if there is no substitution between state and federal funding, we expect a weaker relationship between immigration and total redistribution than if we use a measure over which states have more control. In addition, if state fiscal capacity more than need, determines state social welfare spending, it is possible that state replaced the immigrants dropped from assistance programs with native-born residents on waiting lists, resulting in no net change in total spending. By focusing on both state and federal transfers, we hope to capture the net result of all of these complicated dynamics.

In addition to our two social spending measures, we also investigate two specific policy choices over which states have significant control: AFDC-TANF benefit levels and immigrants' access to social welfare benefits. The first additional dependent variable, AFDC-TANF benefit maximums, taps generosity in redistribution for those deemed eligible. Some states may, for example, restrict benefits to a small group through restrictive rules or high bureaucratic hurdles—actions likely reflected in lower total AFDC-TANF spending—but they might be relatively generous to those who qualify. For this measure, we focus on the maximum benefit for a family of three.

The possible trade-off between generous benefits and restricted eligibility raises another pathway to welfare state retrenchment: welfare chauvinism, through which governments do not necessarily modify overall spending but do restrict those receiving benefits. Indeed, various scholars point to a relationship between immigration and welfare restrictions targeted at immigrants (Alvarez and Butterfield 2000; Lee, Ottati, and Hussain 2001; Citrin et al. 1997). As the earlier discussion makes clear, states had to decide whether to use their funds to cover noncitizens barred from receiving federal funds after 1996. Our last dependent variable is consequently a measure of state immigrant welfare generosity developed by Rodney Hero and Robert Preuhs (2007). The scale, which runs from -1.11 (the least generous) to 4.67 (the most generous), captures whether a state provided welfare benefits to immigrants in eight specific domains in 1996, ranging from Medicaid funding for nonemergency care for some undocumented immigrants, to providing legal noncitizen immigrants with TANF during the federally imposed five-year bar on immigrant eligibility.

Modeling the Theorized Determinants of Social Spending

As we have outlined, immigration might affect redistribution for a number of reasons, each with different causal mechanisms that drive how these two phenomena might be related. To examine the noncitizen disenfranchisement hypothesis, we include a variable that measures the fraction of the voting-age population that is noncitizen, controlling for the fraction of the voting-age population that is naturalized. For all our statistical models, we lag our key independent variables to the most recent election, because these theories operate through the political process. To examine the immigrant threat hypotheses, we include a variable capturing the foreign-born proportion of the state population. This measure assumes that for, however, as noted earlier, most contemporary immigrants are nonwhite, so we
also consider the possibility of a racial threat model, which we measure with variables capturing the proportion of the state population that is Asian or Latino. Because not all racial and ethnic groups are necessarily equally threatening to whites, we consider these proportions independently.

According to a fractionalization model, states that are more homogeneous should spend the most on redistribution. This theory presumes that all diversity has the same effect on redistribution, for the same reasons, and through the same means. Studies in this tradition typically compute diversity with a Herfindahl index to measure the probability that two randomly selected individuals from a given population belong to different groups (Alesina, Baqir, and Easterly 1999). Unlike group threat, this theory assumes that the presence or absence of any specific group is irrelevant, that only the mix of different groups matters. Thus, states that are 30 percent Asian and 70 percent white should redistribute as much as those that are 70 percent white and 30 percent Latino. We create a Herfindahl index that includes six ethno-racial groups: whites, blacks, Latinos, Asians, American Indians, and “other.” All else equal, we expect that the higher the racial fractionalization, the less redistribution.

Because noncitizen disenfranchisement, group threat, and fractionalization are all meant to capture different aspects of immigration, we would expect these measures to be highly correlated with one another. Table 12.2 provides a correlation matrix of these variables. Given the long-standing ethno-racial diversity of the United States, correlations between proportion Asian, proportion Latino, fractionalization, and our disenfranchisement variables, though high, do not raise inordinate concern. In contrast, the two measures meant to capture noncitizen disenfranchisement (proportion noncitizens and proportion naturalized immigrants) are highly correlated (0.83). In our models, we consequently include our explanatory variables first separately, and then jointly, to be more certain that our results are not spurious. The correlation between our measure of immigrant threat (proportion foreign born) and our measure of noncitizen disenfranchisement is also high, at over 0.9. We therefore cannot test these theories against each other in the same model.

### Controls

When we test whether group threat, fractionalization, or noncitizen disenfranchisement influences redistribution, we want to make sure that differences in state fiscal capacity, need, and basic demographics are not skewing or driving our results. For example, we might expect more redistribution in states with greater fiscal capacity given that they should have more resources to be able to meet the needs of their poorest residents. We therefore control for state personal income per capita (Gais, Dadayan, Bae, and Kwan 2009). We exclude transfer income from these personal income figures because we worry that it is too closely related to our dependent variables.

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<table>
<thead>
<tr>
<th>Proportion Asian</th>
<th>Proportion Latino</th>
<th>Proportion Foreign Born</th>
<th>Proportion Naturalized</th>
<th>VAP</th>
</tr>
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<tbody>
<tr>
<td>1.00</td>
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<td>0.6162</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: Figures include only the lower forty-eight states. VAP = voting age population.
Alternatively, we might expect more spending on redistribution in states with higher levels of need among the state's residents. Because some programs target unemployed families in poverty (for example, AFDC-TANF), whereas others target the working poor (for example, EITC), and some cover both groups (for example, SNAP), we control for two measures of need: the pre-transfer poverty rate and the unemployment rate. The age structure of the population might also play a role in social spending. Many income maintenance programs target children, so we include a control for the fraction of the state population that is under eighteen. Likewise, SSI benefits are designed in part to supplement the incomes of poor elderly individuals, so we include a control for the fraction of the state population that is sixty-five and over.

Numerous studies have demonstrated a negative correlation between percent black and white support for redistribution or actual spending on redistributive programs (Alesina, Glaeser, and Sacerdote 2001; Brown 1995; Howard 1999; Moller 2002; Orr 1976; Wright 1976; Fox 2004, 2010). Scholars also document a positive correlation between percent black and the punitive character of state welfare programs (Fellowes and Rowe 2004; Fording 2003; Gais and Weaver 2002; Soss et al. 2001; Schram et al. 2009). Given that we want to identify the potential effects of immigration, net of long-standing black-white dynamics, we control for percentage black.

Finally, we include a control for total national social spending (in models with total state social spending as the dependent variable) or total national AFDC-TANF spending (in models with state AFDC-TANF spending or maximum benefit levels as the dependent variable). We include it because we want to control for unmeasured, nationally constant but historically fluctuating factors (economic, political, and so on) that could affect spending and generosity.

Unlike many other studies (for example, Barrilleaux, Holbrook, and Langer 2002; Gais, Dayan, Bae, and Kwan 2009), we do not control for ideological or partisan political differences across states or over time. Our reasoning is that such political mechanisms act as mediators in the theories we consider and are thus integral to them. For example, rising racial fractionalization might lead voters to become more conservative and elect more Republicans, who then decrease social spending. In this case, ideology and partisanship are not exogenous determinants of social spending, so we leave them out of the model.

EXPLAINING TOTAL INCOME TRANSFERS

We start with the model of total per capita income transfers. Table 12.3 includes results for separate tests of the noncitizen disenfranchisement, immigrant threat, racial threat, and racial fractionalization hypotheses. Strikingly, neither the noncitizen disenfranchisement nor the immigrant threat hypothesis is supported, quite the opposite. We find, if anything, positive effects of both noncitizen and naturalized citizen measures on total per capita income transfers, and a significant positive relationship for the proportion of the population that is foreign born. We also find little to no support for the racial threat and racial fractionalization models, though the signs of the relevant coefficients are in some cases in the negative direction suggested by our hypotheses. Thus, the more fractionalization or the larger the proportion of Asians, the less redistribution there is, in line with racial fractionalization and racial threat arguments; the coefficients in these models are, however, statistically insignificant. In contrast, we find, if anything, a positive (but insignificant) relationship between the share of Latinos in the population and redistribution.

In table 12.4, we pit these theories against one another where we are able to do so. When combined, all the immigration variables—proportion noncitizen, naturalized citizen, and foreign born—remain positive and generally significant in explaining total income maintenance spending per capita, so hypotheses about immigrant disenfranchisement and immigrant threat receive no support. In contrast, a clearer race story emerges compared to the simpler models of table 12.3. In all of the combined models, proportion Asian, proportion Latino, and racial fractionalization become negative and significantly correlated with total income maintenance transfer, per capita. If there is a trade-off between immigration and redistribution, it appears to be more about the changes in the racial composition brought on by immigration than due to the effects of migration and the foreign-born population, per se.
Explaning Family Assistance Transfers

Next, we model spending on family assistance transfers, moving from a broad-based redistribution measure to a much more targeted one. The total income transfer model aimed to capture the totality of redistribution benefits paid from federal or state governmen coffers that might be available to poor residents; this measure narrows down to a prominent state-controlled welfare benefit. Unlike the total income transfers model, we start this model in 1973, just aftr Nixon’s re-election and his rightward shift on welfare policy. As we saw in figure 12.1, the family assistance program expanded considerably from 1965 to 1972. Eligibility for AFDC expanded in response to several Supreme Court decisions, the demands of the civil rights and welfare rights movements, and growing urban unrest (Quadagno 1994; Piven and Cloward 1971, 1977). This was a distinct political moment in the history of the U.S. welfare state, and the models that best describe welfare spending throughout much of American history simply break down here.

In table 12.5, we consider each model independently and find results for AFDC-TANF spending to be quite similar to those for total income transfers. That is, the proportion noncitizen and foreign born continue to have a surprising positive relationship with per capita spending, albeit a small and statistically insignificant one. These results contradict the disenfranchisement and immigrant threat hypotheses. Conversely, we also find that higher racial fractionalization and a larger share of Asians is associated with less AFDC-TANF spending per capita, though
the fractionalization coefficient fails to achieve statistical significance. A larger Latino share is, in contrast, positively and significantly associated with per capita AFDC-TANF transfers.

In Table 12.6, we again pit pairs of theories against one another. The findings are largely consistent with the emerging story: negative but insignificant coefficients for racial fractionalization and proportion Latino once controlling for immigrant variables, negative and significant coefficients for proportion Asian, and largely positive coefficients for the various immigrant-related measures, a number of which are statistically significant. Thus, holding constant changing racial demographics, a larger foreign-born population or noncitizen population (net of the naturalized citizen population) is associated with increased spending on family assistance transfers.

### Explaining AFDC-TANF Benefit Levels

We shift now to models that predict the maximum AFDC-TANF benefit level for a family of three across states and over time. This is a simpler outcome than the previous two, because it does not include the complex dynamics of benefit take-up, that is, who learns about and is deemed eligible for government assistance. Because figure 12.4 does not show the same dramatic rise in AFDC benefit levels before 1973 as in AFDC spending levels (see figures 12.1 and 12.3), our analysis includes all years for which we have data (1968 to 2008).

Perhaps surprisingly, given that this analysis sidesteps issues of benefit take-up and eligibility restrictions, our results are not dramatically different than in the spending models. Table 12.7 presents a test of each hypothesis separately. Unlike previous results, we do find that as the proportion of noncitizens in a state's population grows (net of the proportion of naturalized immigrants), AFDC-TANF benefit generosity appears to decline, but the association is statistically insignificant. Conversely, as naturalized immigrants make up a larger proportion of the voting age population in a state, maximum benefit levels increase, and this effect is marginally significant. In the immigrant threat model, as in prior models, we see a positive but insignificant effect of immigrant population size. For racial fractionalization and proportion Asian, we find the same negative, significant relationship and slightly positive but insignificant results for proportion Latino.

We test whether these results hold up when examining multiple theories simultaneously. The findings, reported in Table 12.8, show that disenfranchisement results change direction once we consider race: net of racial composition and fractionalization measures, the higher a state's proportion of immigrants and even...
noncitizen immigrants, the higher the maximum benefit level. Thus the disenfran-
chisement and immigrant threat hypotheses continue to find no support: a higher
proportion of immigrants, including noncitizens, is associated with higher benefit
levels. Conversely, racial diversity, either measured through a fractionalization
score or by proportion Asian or Latino in the state population, has a statistically
significant negative relationship with benefit levels for a family of three when we
include disenfranchisement or immigrant threat variables.

Explaining Immigrant Welfare Generosity

Finally, we consider an outcome variable most directly tied to immigration: a
state’s welfare generosity toward immigrants in 1998. Because we have only one
year of data and a continuous dependent variable, we run an ordinary least
squares regression and use all fifty states. The results, in table 12.9, show—sur-
sprisingly, given limited cases—that few of the coefficients reach statistical
significance, although the direction of the estimated effects are in line with a racial
threat or fractionalization explanation of changes in redistribution. For the im-
migrant variables, the direction of the relationship is similar to the simple model
predicting maximum AFDC-TANF spending for a family of three: the proportion
of foreign-born residents shows a positive correlation, as does the proportion of
naturalized citizens in the voting age population, but the relationship with the
proportion of noncitizens is negative. In the AFDC-TANF benefits model, this par-
tial support for a disenfranchisement hypothesis disappeared when we included
race variables, but here we cannot do a similar test given only fifty cases. The bot-
tom line, based on the statistical insignificance of the coefficients, is consistent with
the results of previous studies (Hiro and Preuhs 2006, 2007). Specifically, no strong
evidence exists for noncitizen disenfranchisement, threat, or fractionalization
in explaining whether a state will be more or less generous toward immigrants right
after federal rules regarding social welfare changed in 1996.

LESSONS FROM STATE MODELS AND CONCLUDING THOUGHTS

The American welfare state is a complex institution, encompassing numerous pro-
grams that redistribute money to the poor and working poor, with various levels
of generosity and with distinct rules for eligibility. Because of this system, we
have considered numerous measures of social redistribution to examine the extent to
which rising numbers of immigrants might affect redistribution policy.

In the end, our results suggest that race—an enduring challenge for the U.S.
welfare state and at the center of redistributive politics for so long—continues to

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**Table 12.9 / Immigrant Welfare Generosity Models, 1998**

|                          | Immigrant Threat | Racial Threat | Racial Fractionalization | Noncitizen Disenfran-
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Poverty rate</td>
<td>-4.093</td>
<td>-3.362</td>
<td>-3.025</td>
<td>-3.731</td>
</tr>
<tr>
<td>Personal income</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.000**</td>
</tr>
<tr>
<td>Proportion unemployed</td>
<td>25.108*</td>
<td>25.826*</td>
<td>32.307**</td>
<td>25.686</td>
</tr>
<tr>
<td>Proportion over sixty-five</td>
<td>12.857</td>
<td>12.894</td>
<td>12.896</td>
<td>12.165</td>
</tr>
<tr>
<td>Proportion under eighteen</td>
<td>0.797</td>
<td>2.229</td>
<td>4.145</td>
<td>1.289</td>
</tr>
<tr>
<td>Proportion black</td>
<td>-0.149</td>
<td>-1.549</td>
<td>-1.549</td>
<td>-1.461</td>
</tr>
<tr>
<td>Proportion foreign born</td>
<td>0.146</td>
<td>0.027</td>
<td>-1.123</td>
<td>-2.459</td>
</tr>
<tr>
<td>Proportion Asian</td>
<td></td>
<td></td>
<td></td>
<td>-0.689</td>
</tr>
<tr>
<td>Proportion Latino</td>
<td></td>
<td></td>
<td></td>
<td>-1.123</td>
</tr>
<tr>
<td>Proportion noncitizen, VAP</td>
<td>-5.151</td>
<td>-6.049</td>
<td>-7.149*</td>
<td>-5.174</td>
</tr>
<tr>
<td>Proportion naturalized, VAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion naturalized, VAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors' compilation.
Note: Spending and income per capita, 2008 dollars. VAP = voting-age population.
*p < 0.10, **p < 0.05, ***p < 0.01
be a key determinant of social redistribution. This is the case whether we consider the historic—and still significant—dynamic of black-white race relations or the growing proportion and complexity of ethno-racial diversity generated by immigration. In virtually all of our models, the proportion of black residents in a state had a negative relationship with redistributive outcomes, as we would expect based on extensive scholarship in this area. We add to these analyses by considering additional racial minority groups and racial fractionalization. The latter is negatively associated with total income transfers and family assistance transfers per capita, as well as maximum AFDC-TANF spending levels. The proportion of Asians in a state is also negatively associated with total income transfers, family assistance transfers per capita, and benefit levels. This effect is not particularly robust, however, and must be treated with caution given the small Asian population, relative to other groups, and their concentration in a handful of states.36

Conversely, our results support neither the noncitizen disenfranchisement nor the immigrant threat hypotheses. The proportion of foreign-born residents in a state’s population, in particular, shows a consistent, positive relationship with our diverse measures of social redistribution. Tests for an immigrant disenfranchisement hypothesis also find little support. In the few cases where the proportion of noncitizens in the voting age population is negatively associated with an outcome, such effects wash away—indeed, become positive—when we control for racial threat or racial fractionalization. Although counterintuitive in the context of immigrant backlash stories, our findings are consistent with other empirical research that argues that race has long been more important than immigration in the politics of redistribution (Fox 2010, 2012).

In this context, the results for a “Latino threat” dynamic are particularly revealing. In each stand-alone test of a racial threat model, regardless of the redistribution measure, we find either no significant relationship or a positive relationship between the proportion of Latinos in a state and our outcome measures, suggesting that benefit levels and spending on redistribution per capita increase as the Latino population of a state increases. However, this relationship seems to be due to the fact that the proportion of Latinos and the proportion of immigrants are highly, but not perfectly, correlated. When we include measures for the proportion of foreign-born state residents or variables related to noncitizenship simultaneously with the proportion of Latinos, the Latino threat measure changes directions, becoming negative and usually statistically significant across our outcomes. At the same time, we find that most immigrant-related measures are positively associated with more generous spending and benefits. These results suggest that any perceived negative “immigrant” effect on redistribution in the United States is not truly about foreign-born individuals, but instead likely related to threat and fractionalization dynamics linked to the Latino (and Asian) population, whether foreign born or native born.

The positive relationship between foreign-born residents and redistribution is in many ways surprising, especially given that few of the foreign born in the United States have acquired citizenship and can, if they choose, use the ballot box to affect social welfare policy. Of course, it is possible that our null findings are simply a measurement issue. The proportion of noncitizens and naturalized immigrants in the voting age population is highly correlated. This makes it hard to estimate the effects jointly. But the consistency of our findings suggests some real, substantive dynamics.37

In speculating about mechanisms that could explain a positive relationship between immigration and redistribution, net of the negative effects of race, we should remember that the voting booth is not the only way individuals can exercise political muscle (see, for example, Voss and Bloomraad 2011). In California, immigrants and their advocates engaged in grassroots activism to restore immigrant benefits after 1996, joining protests, holding sit-ins, testifying at public hearings, and writing letters to elected representatives. The high-profile suicides of some elderly immigrants cut from the welfare rolls also spurred sympathetic individuals to join the movement. In response, California legislators developed a Cash Assistance Program for Immigrants (CAP) for the elderly and disabled who had been cut from SSI in the wake of welfare reform (Reese and Ramirez 2003; Fujiwara 2008). Some scholars argue that aggregate welfare state spending typically increases—at least in the short term—in response to these sorts of protest activities (Piven and Cloward 1971). A social movements approach reminds us that immigrants—even noncitizens—have political agency.

If we consider the formal political system, it is also possible that the U.S.-born adult children of noncitizens, who automatically acquire U.S. citizenship at birth, are voting on their parents’ behalf. With the rise in the immigrant population comes an increase in the second generation, the U.S.-born children of immigrants. As more and more of this group come of age, they might play an increasingly determinative role in elections, as some have argued was the case in the 2012 elections. In a similar fashion, co-ethnic citizens, either naturalized or with long roots in the country, might mitigate the worst disenfranchisement effects or advocate for the interests of low-income noncitizens within the political system. For example, between 1984 and 2010, the number of Latino state legislators increased from 106 to 245, the majority of whom were U.S. born; Robert Preuhs argues that, at least in some places, “Latino descriptive representation does influence welfare policy, primarily by offsetting the degree to which larger Latino populations are met with lower levels of welfare provision” (2007, 277).38 In California, the rising share of Latino legislators has been identified as one factor that led California to restore immigrant access to welfare after the 1996 reforms (Brown 2013; Reese and Ramirez 2003). As we discussed earlier, many of the congressional districts with the largest share of noncitizens are held by Democratic lawmakers who tend to be more supportive of redistribution than their Republican rivals.

More generally, the most immigrant-dense areas of the United States might already have built up institutional, social, and political structures that can lobby for and protect immigrants from pressures to reduce redistributive spending. Because immigration flows are strongly affected by social networks—new immi-
Immigration, Poverty, and Socioeconomic Inequality

... grants tend to settle in places where earlier immigrants have landed—the institutional structures put in place a century ago to provide benefits to European immigrants, in particular, might still have some historical reach into the present (Fox 2010, 2012). In these places, native-born citizens might also hold stronger pro-immigrant attitudes than Americans in other parts of the country. As new immigrant flows move into areas with little experience of migration, notably to the U.S. South, it will be fascinating to see whether newcomers push these states to be more generous in their redistributive efforts. If not, it would underscore that the effect of immigration depends heavily on a state's historic experience with immigration.

In the end, we are left with a somewhat puzzling and troubling portrait of changes to social redistribution over the past forty-five years. We know that retrenchment in some areas has been significant, although, as we show, there has also been expansion in others, notably in programs like EITC. We might well expect that where there has been retrenchment, the rapid and significant rise in immigration could be a cause: Americans might fear foreign newcomers, though these newcomers usually have few political tools to advocate for more generous social benefits. Yet our analysis instead suggests that race, not migration, is at the heart of restrictive policies and spending. In line with a long and troubled racial history in the United States, neither citizenship nor U.S. birth matters as much as being a racial minority when it comes to predicting less generous redistribution efforts.

Immigration scholars and advocates frequently point to the 1996 welfare reform act as a key piece in a shift toward more anti-immigrant policies. They underscore how the legislation targeted immigrants, in particular, by drawing a much starker line between citizens and noncitizens, including legal permanent residents. Yet immigrants were far from the only ones affected; the changes to welfare reform hit poor minority communities particularly hard. In signing PRWORA, President Clinton declared, “I am proud to have signed this legislation,” but he took pains to bemoan two aspects of the law: cuts to food stamps and the provisions affecting legal immigrants. Claiming that he was “deeply disappointed that this legislation would deny Federal assistance to legal immigrants and their children,” he vowed to work with Congress “in a bipartisan effort to correct the provisions of this legislation that go too far and have nothing to do with welfare reform” (Clinton 1996). In ensuing years, Congress did indeed roll back some of the immigrant restrictions; it did little, however, to alleviate the lot of U.S. citizens affected by the law, many of minority backgrounds—a dynamic fully consistent with our empirical results. It remains to be seen whether current and future immigrants—who are overwhelmingly people of color—will assist in expanding the American welfare state, or instead get caught in race-based attacks on redistributive social policy.

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<table>
<thead>
<tr>
<th></th>
<th>Foreign Born</th>
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<th>Percentage Point Change in</th>
<th>Percentage Point Change in</th>
</tr>
</thead>
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<td>1965</td>
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<td>7.3</td>
<td>7.1</td>
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<td>2.8</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
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<td>3.4</td>
<td>6.2</td>
<td>2.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Arizona</td>
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<td>14.4</td>
<td>9.2</td>
<td>9.5</td>
</tr>
<tr>
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<td>3.2</td>
<td>2.9</td>
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<td>8.9</td>
<td>26.8</td>
<td>17.9</td>
<td>14.6</td>
</tr>
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<td>Colorado</td>
<td>3.6</td>
<td>10.2</td>
<td>6.6</td>
<td>6.5</td>
</tr>
<tr>
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<td>13.2</td>
<td>3.1</td>
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<td>7.9</td>
<td>5.0</td>
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Source: Authors' compilation. 1965 figures from 1960 and 1970 U.S. decennial census statistics; 2008 figures from the American Community Survey.


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<th>Congressional District</th>
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<th>Party</th>
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Source: Authors’ compilation based on Public Policy Institute of California (2013), U.S. Census Bureau (2012), and Govtrack (2012).

NOTES


4. Indeed, there are good reasons to believe that noncitizens would be undersampled in such surveys due to language barriers or higher than normal refusal rates, especially among unauthorized immigrants.

5. The PPIC Statewide Survey is a random digit dialing poll of all landlines and cell phones with a California exchange. We pool six surveys, from the months of January and May in 2010, 2011 and 2012. Each survey had about 2,000 respondents. All surveys were conducted in English and Spanish, and a few also included translations in some Asian languages. For more on methodology, see Public Policy Institute of California, “Survey Methodology,” http://www.ppic.org/content/other/SurveyMethodology.pdf (accessed March 19, 2013).

6. In contrast, the highest rate of reported voting among whites is found in the second generation (the children of immigrants), and among Asian Americans in the third and later generations.

7. Studies of European countries that permit noncitizen suffrage generally find that noncitizens vote at lower rates than both naturalized citizens and native-born citizens (see, for example, Groenendijk 2008).

8. This calculation is based on the weighted number of likely voters who clearly expressed an opinion: 3,047 respondents who oppose higher taxes and 2,951 who would pay higher taxes to maintain health and human services.

9. This is based on the (admittedly heroic) assumption that these residents would turn out to vote in such numbers that their ballots constituted the same proportion of all ballots cast as the percentage of noncitizens in the general population (15 percent), and that the remainder of the voters reflected the opinion of “likely voters” with individuals responding “don’t know” taken out of the calculation.

10. In November 2012, a majority of California voters, 55.2 percent, approved Proposition 30, which increased the state sales tax and income tax on those earning over $250,000 to pay for K-12 schools and community colleges. It is doubtful that these results would have been replicated if tax increases had been directed to social benefits. In the PPIC survey data, although a slight majority of likely voters opposed tax hikes to maintain health and human services, almost two-thirds (64 percent) claimed that they would...
Immigration, Poverty, and Socioeconomic Inequality

support tax increases to maintain K-12 public education, suggesting greater support for education than redistribution.

11. Table 12.2 lists the most “immigrant” congressional districts.

12. Our limited knowledge stems in part from the fact that many studies exclude Asians from their models, even when they focus on race effects (see, for example, Hero and Preuhs 2007; Fowlees and Rowe 2004; Gais and Weaver 2002).

13. Daniel Hopkins looks at whether respondents feel that immigration should be increased or decreased, and whether they agree that immigrants are getting too demanding in their push for rights (2010, 46, 52).

14. This list of means-tested programs funded by state and federal dollars is certainly not exhaustive. We have excluded from our analysis health insurance programs (for example, Medicaid and State Children’s Health Insurance Programs); housing aid (for example, Public Housing and Section 8); Head Start and child care assistance; and school-based nutrition programs (school breakfast and school lunch).

15. These data can be found at http://www.bea.gov/regional/spi/default.cfm?setTable=S225andeseSeries=ancillary. They exclude administrative costs (for a description of the data and methods used to calculate transfers, see Bureau of Economic Analysis 1999).

16. Our measure of poverty is calculated prior to taxes and transfers and is constructed from Current Population Survey income microdata (King et al. 2010). Figures for 1968 through 1967 are extrapolated and for a few smaller states, figures through 1976 are for multistate regions rather than individual states. Following other poverty scholars (for example, Rainwater and Smeeding 2003), we calculate household market income using information about wages, salaries, and business and farm income. We then use a cut-off variable available in the CPS to determine whether this market income is above or below the official poverty line, given the household’s size and composition. Though poverty is by a household’s income, the poverty rate is calculated at the individual level for each state.

17. We thank Hilary Hoynes for sharing her dataset on maximum AFDC-TANF benefits from 1968 to 2007. The original sources of these data include unpublished tables from the Department of Health and Human Services (1968–1979) and the University of Kentucky Poverty Center (1980–). We add 2008 data from the Urban Institute (see http://ndata.urban.org/wrd/maps.cfm, table IIA.4). We choose to focus on figures that pertain to a family of three, because of their consistent availability over time and so that our analysis is in line with that of other similar analyses (for example, Hero and Preuhs 2003). The mean maximums in figure 12.4 are calculated by averaging the state maximums across all states.

18. Our database covers all fifty states, but we exclude Hawaii and Alaska from our statistical models. Hawaii is a significant outlier for a key variable of interest, the proportion of the state’s population that is Asian, and for some key independent variables, information is missing for Hawaii and Alaska in earlier years.

19. This includes AFDC-TANF, SSI, SNAP, General Assistance, WIC, EITC, Child Tax Credits, Energy Assistance, Foster Care payments, and Refugee Assistance.


21. It is not clear how many immigrants do so. In theory, immigrants cut from TANF who find work might qualify for EITC, which had no restrictions on legal immigrants. But one study found that among low income families surveyed, 73 percent of native-born U.S. citizens had heard of the EITC, and 50 percent had received it. But among the non-citizens, only 22 percent had heard of the program and only 9 percent had received it (Phillips 2001).

22. The specific benefits measured were “state-funded TANF during the federally imposed five-year bar on immigrant welfare eligibility; TANF after the federal five-year bar; state general assistance benefits; state-funded food stamps; a substitute program for Supplemental Security Income (SSI); state Medicaid funds during the five-year bar; Medicaid funding for nonemergency care for some undocumented immigrants; state-funded health care programs; and state-funded prenatal care” (Hero and Preuhs 2007, 502).

23. As discussed and elaborated in chapter II, citizenship status only became tightly tied to social benefits in 1996 with the federal overhaul to welfare policy. Legal permanent residents thereafter arguably had an increased incentive to naturalize, and some state governments and nonprofit social services providers engaged in concerted efforts to help noncitizens acquire citizenship so that they could remain eligible for federal benefits. We thus considered the possibility that after 1996, immigrants may naturalize selectively to receive welfare benefits, resulting in an association between naturalization and spending in the reverse causal direction from what we posit. We conducted a sensitivity analysis for the models discussed below, limited to the years before 1996. Those results are nearly identical to models for all years and are available on request. The similarity of results is consistent with studies that find immigrant naturalization is not a function of punitive policy or simple cost/benefit calculations but rather the “warmth of the welcome” accorded to immigrants (Bloemraad 2006; Van Hook, Brown, and Bean 2006).

24. This means a one-year lag in odd (non-election) years and a two year lag in even (election) years, on the assumption that, because elections are very late in the year, spending in that year is more closely related to the previous election.

25. Because race and Hispanic ethnicity questions are separate in the census and the ACS, we define Latinos as those of any race reporting Hispanic ethnicity.


27. In practice, values of the variable with and without transfer data are highly correlated.

28. As noted in the description of figures 12.2 and 12.3, our measure of poverty is calculated prior to taxes and transfers and is constructed from Current Population Survey income microdata. State unemployment figures are drawn from two sources. For 1976 through 2008, they are from official Bureau of Labor Statistics Reports. For 1965 through 1975, we thank Timothy Besley and Anne Case for making available their compilation of figures from the President’s Manpower Reports. The unemployment rate and the poverty rate have a correlation of only 0.38.

29. Of course, some of the immigrants who move to the United States self-categorize or are
viewed by others as black, but it is a small proportion of the total: 8 percent of all foreign-born residents. These individuals will be captured in proportional measures of immigrants, naturalized citizens or noncitizens in a state’s population.

30. This specification was more parsimonious than a year fixed-effects specification. However, the results are similar if we include year fixed effects instead.

31. Because states vary in so many ways, many of which we are not able to capture with our controls, we prefer the models of change over time within states. Fixed-effects models also require fewer possibly unwarranted assumptions about the correlation of error terms. Results of the random effects models are available on request.

32. The negative relationship between state fiscal capacity and spending that we see throughout our model results has also been noted by other scholars (Gaiz, Dadayan, and Kwan 2009), who show that spending on cash assistance in high fiscal capacity states has declined rapidly over the last three decades, largely converging with spending in low fiscal capacity states. High fiscal capacity states continued to spend more overall, but they shifted their funds to “social services” rather than income transfers.

33. Our analyses are limited to the forty-eight contiguous United States, but we note that this particular result depends on the exclusion of Hawaii and it is somewhat sensitive to the exclusion of New Jersey. Hawaii has a particularly large Asian population and relatively high social spending. New Jersey’s Asian population increased from less than 1 percent in 1965 to more than 7 percent by 2008. New York saw a similar increase but the results are not sensitive to the exclusion of that state.

34. Again, however, the “Asian threat” effect depends on the exclusion of Hawaii in our models.

35. See note 33.

36. Some political actors and academics speculate about a “welfare magnet” effect, whereby immigrants purposefully move to states with more generous social benefits (for example, Borjas 1999a). It is also argued that the material and psychic costs to internal migration are greater for the native born than for immigrants (Borjas 1999b, 116–18). These observations could read our results as consistent with the welfare magnet hypothesis. Although it is possible, we find this conclusion unlikely, especially as a dynamic with a sustained effect across all the decades we analyze. One empirical analysis of recent immigrants’ locational choices, prior to welfare reform in 1996, found that the primary determinant of residential location for foreign-born newcomers (other than refugees) was the presence of other settled immigrants, not social benefits (Zavodny 1999), a finding consistent with social network accounts of migration. Others underscore that the logic of the welfare magnet argument would predict differential migration between high-skilled and low-skilled immigrants or high take-up rates of social benefits by immigrants. However, in an analysis that leveraged interstate variation in benefits before and after 1996, Neeraj Kaushal (2005) finds that although there is a modest increase in migration to more generous states after 1996, in many cases the up-tick is more dramatic for higher skilled, married immigrant women rather than low-skilled, unmarried women, the group Kaushal suggests is most at risk for being on welfare. Other analyses find, after 1996, that immigrants and immigrant households were, all else equal, less likely to receive social benefits (Fix and Passel 2002; Van Hook and Bean 2009; chapter 11, this volume), a finding counterintuitive to the argument that immigrants seek out places with more generous redistribution so that they can benefit from public programs. In considering the effects of welfare reform shortly after its passage, George Borjas predicted, “If magnet effects are indeed a problem, the main immigrant-receiving states will soon be leading the ‘race to the bottom’ [in welfare generosity], as they attempt to minimize the fiscal burden imposed by the purposive clustering of immigrants in those states that provide the highest benefits” (2009b, 118). This does not seem to have been the case.


REFERENCES


Immigration, Poverty, and Socioeconomic Inequality


Gais, Thomas, Lucy Dadayan, Sooh Bae, and Sung Kyun Kwan. 2009. "The Decline of State

Immigration and Redistributive Social Policy


Immigration, Poverty, and Socioeconomic Inequality


Immigrants in Europe

The primary focus of this volume is on immigration and poverty in the United States. Increasingly, however, immigration is a concern in other developed countries, including the nations of Europe, which have experienced unprecedented increases in immigrant inflows over the past two decades. Chapter 13 provides an overview of the recent experiences of the foreign born in Western European countries.