Living in the Shadows or Government Dependents: Immigrants and Welfare in the United States

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Abstract

Are immigrants in the United States more likely to be enrolled in welfare programs than natives and how has this comparative usage changed over time? To address this question, I pool four panels from the 1990, 1991, 2001, and 2004 Survey of Income and Program Participation and regress different measures of welfare usage on binary migrant variables as well as including time fixed-effects. I find three trends: first, there is no statistically significant difference between the welfare use of similar immigrants and natives, second, immigrant welfare use decreased after the enactment of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which is probably driven by great decreases in Medicaid use over that time period, and third, if Medicaid use is excluded from the measurement of welfare use, immigrants use more of the remaining programs than natives and at an increasing rate after PRWORA. I conclude by proposing several directions for future research.

1 Introduction

Are immigrants in the United States more likely to be enrolled in welfare programs than natives? There is no shortage of media coverage proclaiming the costs that migrants impose on public programs in the U.S.. Even seminal works in immigration economics have found that U.S. immigrants

tend to be negatively selected from their origin countries, which have much wider income distributions than the redistributive U.S. (Borjas, 1987). This implies that these less-wealthy, less-educated immigrants migrate in order to receive a greater standard of living through, among other benefits, welfare. However, there is also evidence that shows migrants with similar socioeconomic characteristics as their native counterparts use certain welfare programs at a lower rate likely due to fear of deportation (Watson, 2014). This evidence seems to resonate with the intuition that immigrants "live in the shadows" and seldom use public programs. Ultimately, the theoretical evidence as well as colloquial opinions on immigrant welfare use seem to contradict each other.

In order to resolve this two-part contradiction, this paper will focus the above question by examining the comparable welfare use of immigrants and natives over time. Particularly, I will focus on changing welfare trends since the passage of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) as it could be possible that the contradicting evidence above is the result of changes in welfare use over time. By using Survey of Income and Program Participation (SIPP) data from before and after this influential legislation, I will examine the difference between immigrant and native use of welfare programs as well as the difference in welfare use before and after the enactment of PRWORA. The empirical models will also highlight the potential differences in use of different welfare programs. Using this approach, I will provide evidence for three findings about immigrant welfare use. First, there is no statistically significant difference between the welfare use of similar immigrants and natives. Second, immigrant welfare use decreased after the enactment of PRWORA, which is probably driven by great decreases in Medicaid use over that time period. Third, if Medicaid use is excluded from the measurement of welfare use, immigrants use more of the remaining programs than natives and at an increasing rate after PRWORA. These findings imply that it is key to explore how immigrants and natives may differ in their use of specific welfare programs. After exploring these differing trends in welfare use, I will also propose research to examine whether or not these welfare programs are allowing immigrants to assimilate and contribute to the national economy.

The rest of the paper proceeds as follows. The second section gives background knowledge on the important details of PRWORA as well as the literature focused on immigrant welfare. The

fourth section presents the data and summary statistics. The third section outlines the empirical framework. The fifth section discusses the results. The last two sections conclude by discussing future research possibilities and the implications of this paper's analysis.

2 Background

2.1 The Impact of PRWORA

Much of the literature on this topic has stemmed from the impact of PRWORA. This welfare reform bill, while allowing refugees and political asylants to access benefit programs, dramatically limited the programs legal permanent residents (LPRs) could access and completely disallowed undocumented immigrants to access any welfare program (Levinson, 2002). Approximately 935,000 noncitizens lost benefits after the passage of PRWORA, an indication of how many immigrants are poor (Fix & Passel, 2002). It is also important to consider the political atmosphere in which this law was passed. In 1996, two other laws–the Antiterrorism and Effective Death Penalty Act and the Illegal Immigration Reform and Immigrant Responsibility Act–were also passed limiting noncitizens' rights of residence and judicial appeal and the ability of undocumented immigrants to obtain legal status. This arguably hostile political atmosphere towards migrants led to the first discussions of "chilling effects" in immigration academia. For example, Zimmermann & Fix (1998) found that noncitizen use of public benefits in Los Angeles County fell following welfare reform and was declining at a faster rate than that of citizens. In the next sub-section, I will further discuss Watson's (2014) analysis of chilling effects.

Amidst the backdrop of PRWORA, it seems plausible to presume that immigrant use of welfare programs could have dropped precipitously after its passage. Nonetheless, a majority of states continued to provide federally funded programs to immigrants if they were given the option to do so (Fremstad, 2004) and some high-immigrant states, e.g. California, provide significant assistance in addition to what is permitted federally (Fix & Passel 2002). In addition, differing program application and enrollment policies could also lead to differing effects than what would be expected after the passage of PRWORA. For instance, it is generally easier to apply for children's medical

assistance programs like SCHIP and Medicaid than for cash assistance or food stamps (Holcomb et al., 2003). The evidence suggests that PRWORA likely had direct impacts on immigrant welfare use, but the extent and manner of that impact is more ambiguous.

2.2 Contradicting Findings

There is limited research on immigrants welfare use much before the passage of PRWORA, but the research that does exist tends to support the hypothesis that immigrants use welfare programs more than natives. Borjas & Trejo (1991) originally found that more recent immigrant cohorts use the welfare system more intensively than earlier cohorts and that immigrants who had been in the U.S. for longer were more likely to receive welfare. Nonetheless, Borjas & Trejo use the 1970 and 1980 U.S. Censuses, which do not contain information on non-cash benefit programs including Medicaid, food stamps, and subsidized housing and energy programs. Borjas & Hilton (1996) fittingly use data from the Survey of Income and Program Participation (SIPP), which does contain observations on the use of non-cash benefit programs. The SIPP also is a panel dataset, which records data on families every four months for 32 months in earlier panels and as much as 48 months in the most recent panels. Using data from the 1984, 1985, 1990, and 1991 SIPP, Borjas & Hilton show that the average immigrant uses welfare at a rate of 21 percent whereas the native rate is 14 percent and that immigrants also experience more and longer welfare spells (1996, pg. 583). They also show that although much of this welfare gap diminishes after controlling for socioeconomic differences between migrants and natives, there still is a statistically significant difference between migrants and natives welfare use (1996, pg. 592). Borjas (1999) also finds that immigrant welfare recipients are more often located in relatively high-benefit states, further showing the strong correlation between welfare use and immigrants.

The above papers, although they show a correlation between welfare use and immigrants, all work with data predominantly from before PRWORA. Watson (2014) begins a discussion that is in great contrast with the findings of Borjas & Hilton (1996). Focusing solely on Medicaid, public health insurance for the poor and children, Watson finds that just 30 percent of eligible noncitizen adults were enrolled in Medicaid compared with 57 percent of eligible citizens, indicating

that immigrants use Medicaid much less than natives. Noting that immigration enforcement has dramatically increased since the early 1990s, Watson shows that this increase in enforcement has caused noncitizen mothers to enroll their children in Medicaid far less than what PRWORA would cause on its own. These "chilling effects," according to Watson, have caused immigrant Medicaid use to drop greatly since the early 1990s. Although Watson is only looking at Medicaid, this stands in great contrast to the findings of Borjas & Hilton who assert that even similar immigrants use welfare programs more often than their native counterparts.

The contradicting findings of Borjas & Hilton (1996) and Watson (2014) are perplexing. However, both would seem to fit the two intuitive narratives previously mentioned that dominate the media. The findings of Borjas & Hilton (1996) resonate with the idea that immigrants migrate to the U.S. in order to take advantage of the country's generous welfare programs. Yet the findings of Watson (2014) resonate with the idea that immigrants tend to live in the shadows in the U.S. and do not use welfare if they feel threatened by enforcement policy. It is important to emphasize that Borjas & Hilton (1996) are measuring the total use of all welfare programs whereas Watson (2014) focuses on Medicaid. As noted earlier, varying welfare program application and enrollment policies could certainly create different trends for different programs. Furthermore, Borjas (2003) shows that varying Medicaid cutbacks across states do not reduce health insurance coverage of immigrants as immigrants tend to find insurance through their employers. It may be possible that the decrease in Medicaid enrollment Watson (2014) finds was countered by immigrants finding other insurance and most other immigrant welfare use was not affected after PRWORA. However, the distribution of health insurance between the public and private sector is not the focus of this paper. The contradictory findings from above emphasize the ambiguity of PRWORA's impact on welfare program use. Both Medicaid and other program use must be analyzed more rigorously.

3 Data and Sample Statistics

In the previous section I examined the contrasting findings of Borjas & Hilton (1996) and Watson (2014). It seems likely that the passage of PRWORA had an impact on immigrant welfare use,

but the extent of that impact is unclear. In order to clarify the true use of welfare programs by immigrants compared to the use by natives, it is necessary to reproduce the empirical analysis done by Borjas & Hilton (1996, Section III) using more current data.

Borjas & Hilton originally use data from 1984, 1985, 1990, and 1991 panels of the SIPP. This paper will use the 1990 and 1991 panels as well, but also merge those with new 2001 and 2004 panels. These additional panels will likely account for even the lagged effects of PRWORA. Using two panels each a similar distance in time before and after the enactment of PRWORA, it is most likely that any effects from this legislation would be found within the timeframe of the four panels. The SIPP is a nationally representative survey that interviews households at four-month intervals for a period between 2 and a half to 4 years and includes information on where each respondent was born. For the regression analysis below, I will define the observation's householder as an immigrant if they are either a naturalized citizen or not a citizen at all. As with all immigration economics, it is difficult to measure the differences between documented and undocumented migrants. Nonetheless, the SIPP is unlikely to include many observations from undocumented migrants because the federal Census Bureau conducts it. The results in this paper then will mainly pertain to documented migrants. The SIPP also lends itself well to analysis of individuals' use of welfare as it contains information on a respondent's amount of assistance received either directly through monetary benefits or through in-kind benefits.[1]

Table I presents the mean and standard deviation of the most useful variables in our pooled dataset. The table separates the data by time period (before and after PRWORA) then it also separates the data for natives and migrants. Table II highlights the statistics comparing native and immigrant households' use of specific welfare programs separated for the 1990 and 1991 panels and the 2001 and 2004 panels. Columns 3 and 6 each measure the welfare gap, or the difference in welfare use between natives and immigrants, during each time period before and after PRWORA respectively. In the first row measuring total welfare use, there is a 2.73 percent welfare gap with migrants using more welfare than natives before the passage of PRWORA. While both migrants and

[1]The Census Bureau also releases data from a survey called the SIPP Synthetic Beta (SSB). The SSB integrates person-level micro-data from the SIPP to Social Security Administration and Internal Revenue Services records. Although this dataset may provide a more accurate measurement of household's use of welfare, it is accessible by application only. Future research may improve upon this paper by using the SSB.

natives use welfare at a much higher rate after PRWORA, that gap diminishes to only 0.33 percent. Both of these gaps are statistically significant at the one percent level giving greater support to the hypothesis that the dynamics of total welfare use are changing over time for migrants and natives.

In the second row measuring Medicaid use only, there is evidence of what may be driving these changing welfare gaps. Before the passage of PRWORA, the Medicaid gap was 1.18 percent with migrants using more Medicaid than natives (gap again statistically significant at the one percent level). After PRWORA however, that gap flips to 1.88 percent with natives using more Medicaid than migrants. This tremendous decrease in migrant use of Medicaid relative to native use of Medicaid is a statistically significant difference at the one percent level. This is evidence that the dynamics of migrant enrollment in Medicaid must have changed dramatically after the passage of PRWORA while other welfare program enrollment generally increased (see third row measuring welfare excluding Medicaid).

Ultimately, while changing trends in specific program use by both migrants and natives are observable in the summary statistics, these trends could be driven by multiple other factors rather than post-PRWORA program changes. It will be important to control for socioeconomic differences between natives and migrants as well as for state and time fixed effects that could treat migrants and natives differently. Through a more rigorous empirical analysis, I will explore the true significance of these changing gaps across time.

Table I: Summary Statistics

	Pre-PRWORA			Post-PRWORA			
	(1) Natives	**(2) Migrants**	**(3) Both**	**(4) Natives**	**(5) Migrants**	**(6) Both**	**(7) Full Panel**
Receiving welfare in a given month (%)	0.12 (0.33)	0.15 (0.36)	0.12 (0.33)	0.18 (0.38)	0.18 (0.38)	0.18 (0.38)	0.16 (0.37)
Receiving Medicaid in a given month (%)	0.09 (0.29)	0.10 (0.30)	0.09 (0.29)	0.14 (0.35)	0.13 (0.33)	0.14 (0.35)	0.13 (0.33)
White (%)	0.78 (0.41)	0.33 (0.47)	0.75 (0.43)	0.73 (0.44)	0.29 (0.45)	0.69 (0.46)	0.71 (0.45)
Black (%)	0.12 (0.32)	0.06 (0.24)	0.11 (0.31)	0.13 (0.34)	0.07 (0.26)	0.13 (0.33)	0.12 (0.33)
Hispanic (%)	0.08 (0.27)	0.41 (0.49)	0.10 (0.30)	0.09 (0.29)	0.41 (0.49)	0.12 (0.32)	0.11 (0.32)
Other (%)	0.02 (0.15)	0.20 (0.40)	0.04 (0.19)	0.05 (0.21)	0.23 (0.42)	0.06 (0.24)	0.05 (0.23)
Female (%)	0.52 (0.50)	0.54 (0.50)	0.52 (0.50)	0.52 (0.50)	0.52 (0.50)	0.52 (0.50)	0.52 (0.50)
Married (%)	0.41 (0.49)	0.63 (0.48)	0.43 (0.49)	0.39 (0.49)	0.64 (.48)	0.41 (0.49)	0.42 (0.49)
Educational attainment	2.02 (1.09)	2.17 (1.14)	2.03 (1.09)	2.65 (1.14)	2.47 (1.30)	2.63 (1.16)	2.41 (1.17)
Age	33.27 (22.12)	43.11 (17.45)	33.99 (21.96)	35.43 (22.88)	43.66 (16.63)	36.09 (22.55)	35.43 (22.39)
Total family earned income (monthly)	2698.10 (2578.97)	2592.75 (2551.62)	2690.30 (2577.10)	4260.57 (5181.08)	4169.62 (4913.28)	4253.24 (5160.09)	3764.86 (4572.36)
Observations	2,687,718	214,930	2,902,648	5,872,129	514,453	6,386,582	9,289,230

Table I reports sample means (and standard deviations) for the dependent welfare variables and control variables used in the regression analysis for sub-groups (1-6) as well as the whole panel (7). Educational attainment variable is measured from 1-5 with 1 representing less than high school completion, 2: high school graduate, 3: some college education, 4: college graduate, and 5: post-college education. In

regression analysis, I use binary variables representing the various levels of education rather than what would be implied by the continuous variable above. One observation represents one survey month for an individual, thus there is 9,289,230 observations for the 348,884 individuals in the full panel.

4 Empirical Framework

The empirical analysis of this paper will follow very closely to that of Section III in Borjas & Hilton (1996). I will attempt to measure the change in welfare use before and after PRWORA by highlighting the difference between the 1990/1991 and 2001/2004 panels. I will use the four SIPP panels from 1990, 1991, 2001, and 2004 to estimate the regression,

$$P_{ist} = \alpha * I_{ist} + \beta * (I_{ist} * T_{ist}) + \gamma' * X_{ist} + \delta_s + \theta_t + \epsilon_{ist} \tag{1}$$

where P gives the fraction of time that household i received a particular type of welfare in a particular state s and year t, I_{ist} is a binary variable equal to one if the householder is an immigrant and T_{ist} is a binary variable equal to one if the observation is from either the 2001 or 2004 panels (data that is drawn post-PRWORA). In certain models, I will include X_{ist}, a vector of socioeconomic and demographic characteristics of the household as well as δ_s and θ_t, state and time fixed effects respectively. The key coefficient of interest is β as it will measure the change in welfare use by immigrants before and after PRWORA.

Table II: Changing Trends in Welfare Gaps

		Pre-PRWORA 1990/1991 Panels			**Post-PRWORA** 2001/2004 Panels	
	(1) Natives	**(2) Migrants**	**(3) Welfare gap**	**(4) Natives**	**(5) Migrants**	**(6) Welfare gap**
All welfare	12.09%	14.82%	+2.73%	17.58%	17.91%	+0.33%
Medicaid only	9.06%	10.24%	+1.18%	14.42%	12.54%	-1.88%
Welfare excluding Medicaid	3.02%	4.58%	+1.56%	3.16%	5.37%	+2.21%
Observations	105612	7632	-	219280	16360	-

Table II highlights the statistical welfare gaps between natives and migrants and across time periods. It is most interesting to see the polar opposite welfare gap for Medicaid use across time periods.

In order to further delve into the contrasting findings of Borjas & Hilton (1996), who use all welfare programs as their dependent variable, and Watson (2014), who uses only Medicaid use as her dependent variable, I will run three main iterations of the above regression equation. The first will measure P for any and all welfare programs used by households. The second will measure P by all welfare programs not including Medicaid used by households. The third and final will measure P by only recording Medicaid use by households. Any differences in the coefficient of interest β between the three regressions could reconcile the contrasting views of Borjas & Hilton and Watson as well as the differences in welfare gaps seen in Table II.

5 Results and Discussion

Table III presents five models of interest. In column one, I present the most basic model regressing all welfare use on the two key variables, the binary migrant variable and the interaction term between migrant and the binary post-PRWORA variable. I find significant coefficients at the one percent level indicating that migrants on average use 1.03 percent less welfare than natives and that migrants' welfare use increased by 3.08 percent after PRWORA. It is likely however that this most basic model without any control variables has little internal validity however as indicated by its very

low adjusted R-squared value. Including state and year fixed-effects in the model shown in column 2 leads to the opposite results from the first model. This model indicates that migrants on average use 2.05 percent more welfare than natives while their welfare use decreases by 2.05 percent after PRWORA. Both coefficients are significant at the one percent level. From our discussion above, it is important to examine how greatly socioeconomic differences between migrants and natives could be driving these results. In the model in column 3, I control for a multitude of socioeconomic differences, which drops the significance of the migrant indicator variable implying that there is no significant difference between migrant and native welfare use. The interaction term remains significant at the one percent level however still showing that migrant use of welfare dropped by 1.61 percent after PRWORA. This model will ultimately be the most useful one as including the socioeconomic controls increase the adjusted R-squared value significantly indicating how much socioeconomic differences drive the welfare gaps seen in the summary statistics.

The models in columns 4 and 5 use different dependent variables than the first three models, which regress all welfare use on the specified independent variables. In the column 4 model, which only measures Medicaid use as the dependent variable, I see similar results to those in the model in column 3. The migrant indicator variable remains insignificant, while the interaction term increases in significance and absolute value. This is likely indicative of the great extent that migrant Medicaid use dropped. As Medicaid use makes up the majority of welfare use by both natives and migrants, the results seen in the column 4 model could be driving the results in the column 3 model. There is further evidence of the large role these Medicaid use drops play in the column 5 model. This model excludes Medicaid use in the measurement of welfare leading to dramatically different results. First, for the remaining welfare program use, I find that migrants' use these programs more than natives by 0.49 percent, an estimate that is significant at the five percent level. Further, we find that migrant use of the remaining programs increases by 0.77 percent after PRWORA.

Table III: Differing Trends in Specific Welfare Program Use

	(1) All Welfare	**(2) All Welfare**	**(3) All Welfare**	**(4) Only Medicaid**	**(5) Welfare (No Medicaid)**
Migrant	-0.0103**	0.0205**	-0.0002	-0.0051	0.0049*
	(0.0039)	(0.0039)	(0.0038)	(0.0033)	(0.0021)
Migrant*Post-PRWORA	0.0308**	-0.0205**	-0.0161**	-0.0238**	0.0077**
	(0.0047)	(0.0049)	(0.0045)	(0.0040)	(0.0025)
Female			0.0496**	0.0315**	0.0181**
			(0.0010)	(0.0009)	(0.0005)
Married			-0.0561**	-0.0432**	-0.0129**
			(0.0013)	(0.0011)	(0.0007)
Total family earned income (monthly)			-0.0000**	-0.0000**	-0.0000**
			(0.0000)	(0.0000)	(0.0000)
Age			-0.0004**	-0.0022**	0.0018**
			(0.0001)	(0.0001)	(0.0001)
Age-squared			-0.0000**	-0.0000**	-0.0000**
			(0.0000)	(0.0000)	(0.0000)
High school			-0.0833**	-0.0827**	-0.0006
			(0.0019)	(0.0017)	(0.0010)
Some College			-0.1163**	-0.1085**	-0.0078**
			(0.0019)	(0.0017)	(0.0010)
College			-0.1277**	-0.1071**	-0.0206**
			(0.0019)	(0.0016)	(0.0009)
Post-grad			-0.1233**	-0.1018**	-0.0215**
			(0.0024)	(0.0021)	(0.0011)
Racial controls	yes	yes	yes	yes	yes
State fixed-effects	no	yes	yes	yes	yes
Year fixed-effects	no	yes	yes	yes	yes
Adjusted R-squared	0.00	0.02	0.17	0.15	0.03
Observations	9,289,230	9,288,917	9,288,917	9,288,917	9,288,917

* p ¡ 0.05; ** p ¡ 0.01

Table III reports the OLS coefficients from a regression of all welfare program use (columns 1-3), just

Medicaid use (column 4), and all program use excluding Medicaid (column 5) on the listed independent variables. Column 1 is the most basic model only including the binary migrant variable and the interaction term. Column 2 adds state and year fixed-effects. Column 3 adds the listed socioeconomic controls. Standard errors are adjusted for the 348884 clusters for each individual household.

The differing findings across the last three models seem to resonate with hypotheses proposed earlier in this paper regarding the differing effects on welfare use different welfare programs may have. In the models in columns 3 and 4, I find that there is no statistically significant difference between the welfare use of similar immigrants and natives, but that immigrant welfare use decreased after the enactment of PRWORA, a trend likely driven by decreases in Medicaid use over that time period. In the last model, if Medicaid use is excluded from the measurement of welfare use, immigrants use more of the remaining programs than natives and at an increasing rate after PRWORA. These findings are consistent with the differing findings of Borjas & Hilton (1996) and Watson (2014). If one considers solely means-tested programs excluding Medicaid, it appears that immigrants use either the same or a greater amount of these programs than their native counterparts, a finding consistent with those of Borjas & Hilton. However, if one considers Medicaid along with other welfare programs, it appears that drops in Medicaid use since PRWORA have driven a decreasing trend in migrant welfare use, a finding consistent with those of Watson. Ultimately, I have shown that it is important to consider how one measures welfare use and what programs one considers when comparing migrants and natives use of these programs.

6 Long-term Impacts of Welfare

Now that there is a clearer picture of the current trend of welfare use for immigrant households, it is then important to discuss whether or not welfare is doing its job for immigrants; that is, are welfare programs helping immigrant households move out of poverty and be socially mobile? This question is most important as it will show whether the current state of welfare is helping immigrants assimilate into the nation's economy or if it is mainly a source of deadweight loss. Even Borjas & Hilton discuss in their conclusion, "little is known about the long-run impact of welfare dependency in the immigrant generation in terms of the economic and social outcomes of second-generation

Americans" (1996, pg. 602). Nonethless, data from the SIPP will not be useful to answer this question about long-term impacts of welfare as the time period of observation is 48 months at a maximum.

A possible dataset that could allow for measurements of the long-term impact of welfare programs for immigrants in the National Longitudinal Study of Youth (NLSY). The NLSY 1979 cohort (NLSY79) follows the lives of a sample of American youth, ages 14-22 in 1979, born between 1957 and 1964. The cohort of 12,686 respondents was interviewed a total of 25 times between 1979 and 2012. Using this dataset, it may be possible to track the long-term outcomes of children of immigrants who belonged to welfare-receiving families during their youth. Unfortunately, there are many problems with this dataset however. First, in the sample of 12,686, only 874 belonged to immigrant families, and only 268 of those ever belonged to a family that received welfare. This meager sample size could greatly discredit any findings of an empirical analysis of the sample. Second, the external validity of any results would also have to be questioned as the welfare system between 1957 and 1979 functioned much differently than it does today. With these limitations in mind however, it may still be useful to run some preliminary empirical analysis.

Using only the observations from the respondents who are children of immigrants, the regression equation that would estimate these long-term impacts of welfare is

$$w_{it} = \alpha + \beta * I_{it} + \gamma * (I_{it} * P_{it}) + \delta' * X_{it} + \epsilon_{ist} \tag{2}$$

where w_{it} gives the current wage of individual i during time t, I_{it} represents a binary variable indicating that individual i is the child of an immigrant household, P_{it} represents a binary variable equal to one if individual i ever belonged to a family that was enrolled in a welfare program, and X_{it} is a vector of socioeconomic and demographic characteristics of the individual when they were first interviewed. The coefficient of interest, γ, will measure the effect of being on welfare as child on the wage of a child of an immigrant household.

While the data that would allow for this kind of long-term analysis is limited, larger and more detailed long-term longitudinal datasets will only become more prevalent in the future. It will not

only be of great interest to the American public whether or not welfare programs are leading to better outcomes for immigrants and their children, but also to prospective immigrants deciding which country will give their children the best future. The field of welfare and immigration economics is ripe with opportunity.

7 Conclusion

This paper examines the various welfare gaps between immigrants and natives across time paying particular attention to before and after the passage of the 1996 PRWORA. Through this analysis, I contribute that it is vitally important to show that different welfare programs, especially Medicaid, may have different trends in use patterns by natives and migrants. In particular, three findings motivate this assertion. First, there is no statistically significant difference between the welfare use of similar immigrants and natives. Second, immigrant welfare use decreased after the enactment of PRWORA, a decrease mainly driven by great decreases in Medicaid use over that time period. Third, if Medicaid use is excluded from the measurement of welfare use, immigrants use more of the remaining programs than natives and at an increasing rate after PRWORA. While the previous section discussed the large area of potential research focusing on the long-term impacts of welfare use by migrants, the findings of this paper could be further clarified as well. While this paper shows that PRWORA or other similar legislature likely had some effect on migrant use of welfare, it is difficult to show the exact mechanisms in which this effect occurred. For instance, Watson's finding of increased enforcement leading to lower rates of Medicaid enrollment could still be valid in playing a large role in discouraging migrant enrollment in Medicaid. It would be useful to isolate the effects of both PRWORA and increasing enforcement by controlling for enforcement in the empirical analysis done in this paper. Still, the findings of this paper indicate that dramatic changes in the way immigrants use welfare occurred after PRWORA.

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