

## Immigration in Utah: Background and Trends

August 28, 2008

Immigration in Utah, as well as in the United States, has always been an issue that has evoked intense emotion and debate. Recent increases in the number of immigrants coming to the U.S. have caused the issue to become a top concern for Utahns. While immigration did not even register as a top concern on Utah Foundation's 2004 Utah Priorities Survey, it ranked fifth on the 2008 survey.

*Immigrants* are any U.S. citizens or residents that were not born in the United States. They are classified as *foreign born* in the U.S. Census. The two main types of immigrants are *documented immigrants* and *undocumented immigrants*. *Documented immigrants* are those that enter the U.S. with immigration documents, such as business, student, or temporary worker visas. Some documented immigrants can also choose to pursue *naturalization*, or the process of gaining citizenship, either prior to or after immigrating. *Undocumented immigrants* are those that enter the U.S. without immigration documents or who enter with temporary visas and stay longer than their visas permit.

Both documented and undocumented immigration present a complex issue as immigrants both provide benefits to and impose costs on the societies in which they reside. The benefits and costs of undocumented immigration, in particular, are an issue of much concern, as evidenced by the 2008 Utah Priorities Survey. Access to government services by undocumented immigrants, overall immigration's impacts on crime, and impacts on schools were Utahns' chief concerns about immigration. Concerns about immigrants' impacts on wages, their impacts on Utah's society and culture, and competition for jobs were other concerns, although they rated less highly.

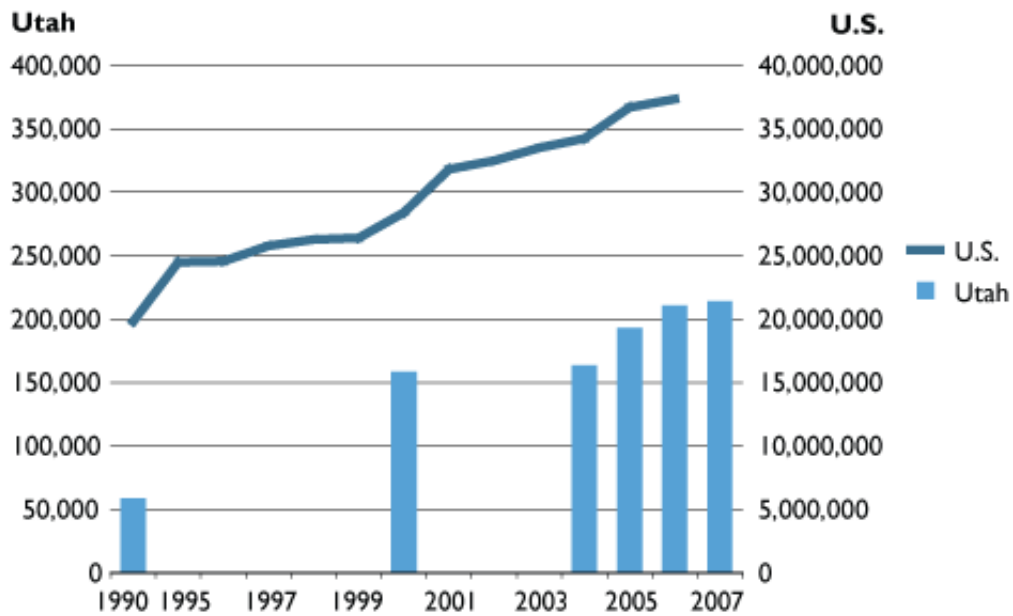
This brief gives a basic overview of both documented and undocumented immigration in the United States and Utah. It also gives a brief summary of the ways undocumented immigrants may impact Utah's public services, state tax and revenue systems, and the state economy.

### Immigration Trends

*Immigrants* comprise all those who reside in the United States who were not born as citizens, whether they become naturalized citizens or are non-citizen residents, whether they are documented or undocumented. Immigrants to America come from all around the world but primarily hail from Central America, Asia, Europe, the Caribbean, and South America. [1] In Utah, immigrants come primarily from Latin America. [2] Figure 1 shows the estimated number of foreign-born residents in the United States and Utah since 1990.

Research by Dr. Pamela Perlich at the University of Utah shows how Utah's foreign-born population has dramatically changed since 1990. Utah's foreign-born population equaled 3% of the state population in 1990, a level at which it had roughly stayed since the 1950 Census. By the 2000 Census, the figure had jumped to 7%, and the data in Figure 1 show that it has continued to grow since then. [3]

**Figure 1: Total Foreign Born Population**

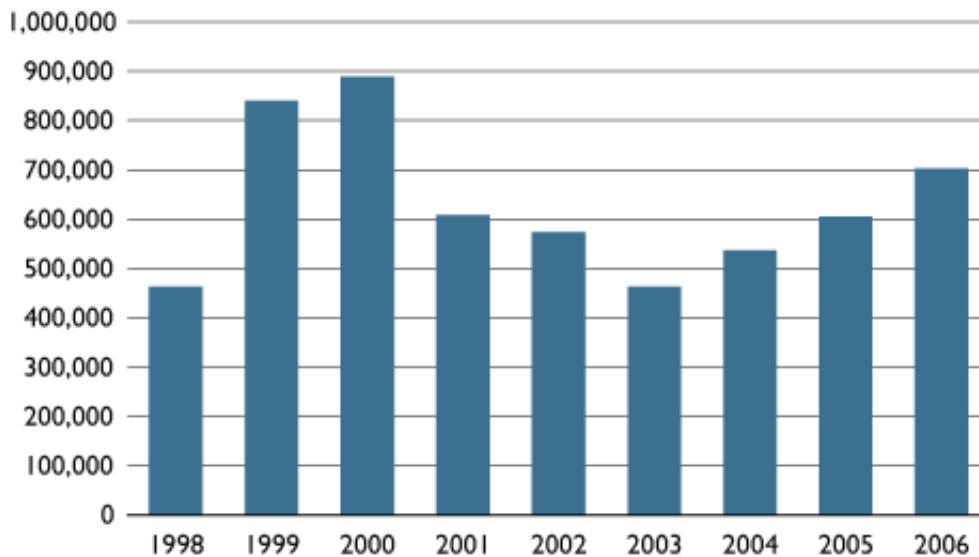


Source: US Census Bureau (Utah data not available for all years).

### Documented Immigrants

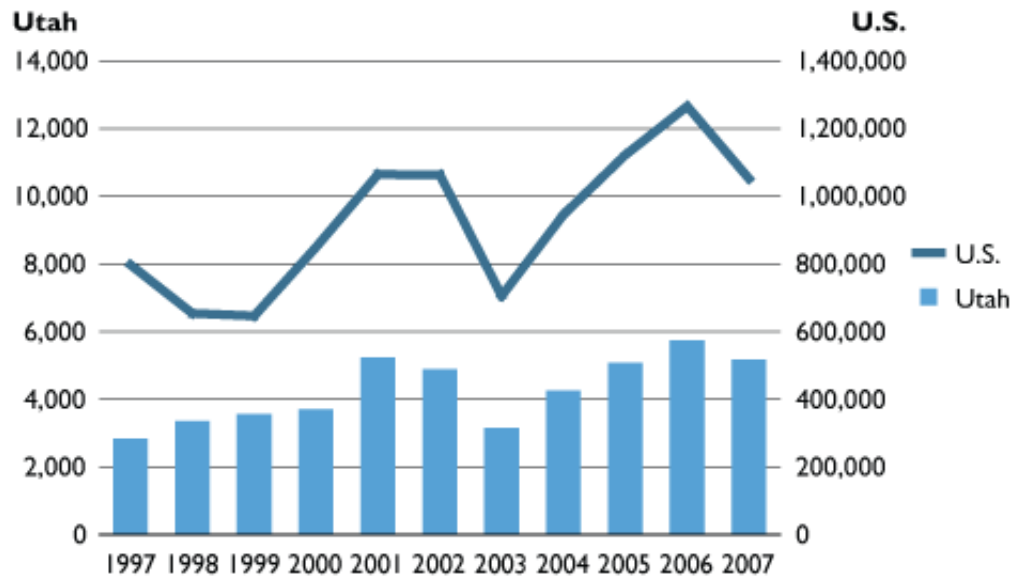
Figures 2, 3, and 4 illustrate the number of documented immigrants and visitors residing in the United States each year since 1998. Documented immigrants include: *naturalized citizens* (those who become U.S. citizens and have full citizen rights); *legal permanent residents*, also known as those having “green cards” (those who reside in the U.S. permanently, but who are not U.S. citizens and do not have citizens’ rights, such as voting); and *temporary residents* (those who have visas for a certain purpose and length of stay in the U.S., including students and foreign workers). The figures show a decline in immigration in the wake of the September 11, 2001 terrorist attacks, but in recent years more immigrants and temporary residents are being admitted to the U.S.

**Figure 2: Immigrants Granted U.S. Citizenship (Naturalized) Annually**



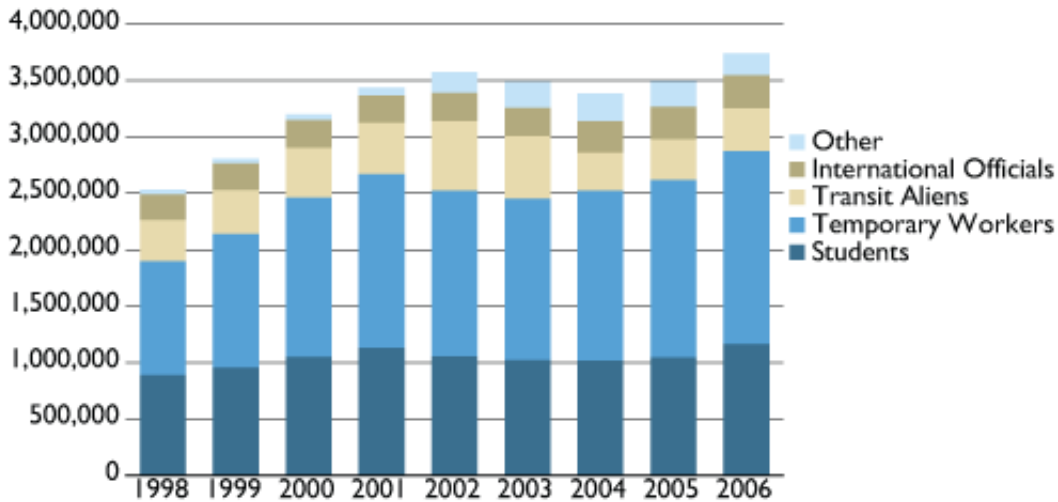
Sources: Department of Homeland Security & U.S. Census Bureau.

**Figure 3: Immigrants Obtaining Legal Permanent Resident (LPR) Status Annually in Utah and the U.S.**



Source: Department of Homeland Security.

**Figure 4: U.S. Annual Admissions of Temporary Foreign Students, Workers, Officials, and Others\***



\* Based on I-94 filings, excluding tourists and short-term visitors for business purposes. Admissions count events, rather than people, and overstate the number of people entering the U.S.

Source: Department of Homeland Security (DHS).

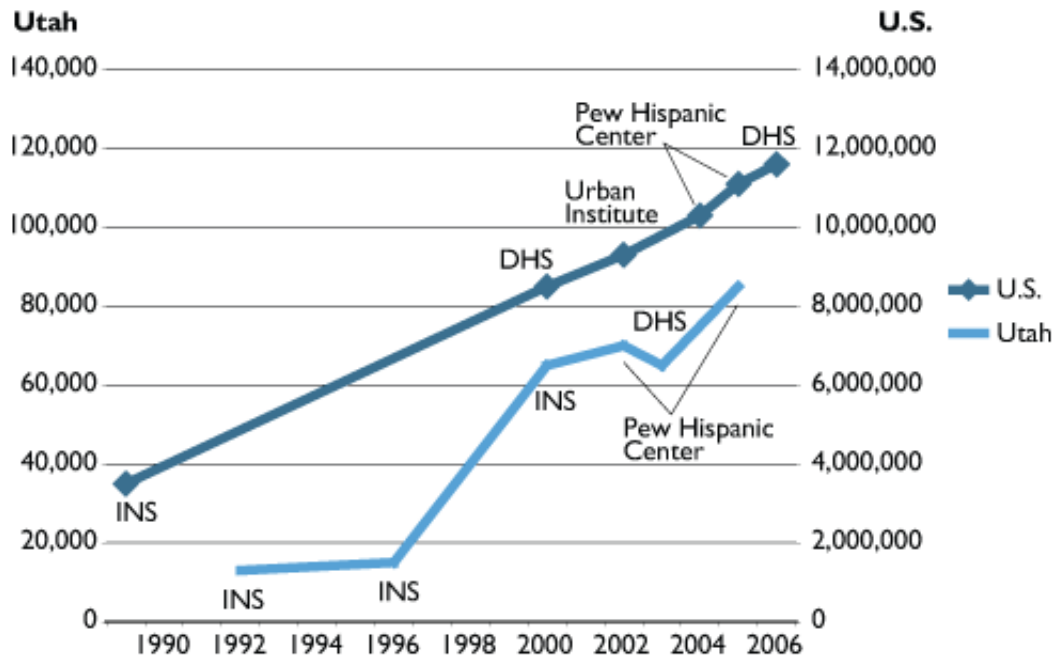
### Undocumented Immigrants

Accurately estimating how many undocumented immigrants live in the U.S. and Utah is difficult because undocumented immigrants often do not have identification documents that allow them to easily be tracked. Therefore, quantifiable facts about the effects of such immigration are also difficult to determine. Most data are rough estimates and are, at best, educated extrapolations. Because of this, the data from these extrapolations must be interpreted and used carefully. However, government and other groups do collect some data on undocumented immigrants. In regards to recent population estimates, the 2000 Census data led demographic researchers to revise upward previous estimates of the population of undocumented immigrants residing in the U.S. Figure 5 shows various estimates of the undocumented population over time, for Utah and the U.S.

Despite generally increasing numbers of undocumented immigrants in the U.S. over the past two decades, it is possible that the population is decreasing somewhat in recent months. A recent study by the Center for Immigration Studies estimated that, between August 2007 and May 2008, the undocumented immigrant

population in the U.S. declined by about 11%, from about 12.49 million to about 11.17 million. According to the study, this is likely due to increased enforcement efforts by federal immigration agencies, coupled with the recent decline in economic activity reducing job opportunities. [4] Although any economic influence on immigration would be temporary, the Center believes most of this decline was caused by increased enforcement activities.

**Figure 5: Estimates of Undocumented Immigrants in Utah and the U.S.**



Sources as shown on the graph.  
 INS=Immigration and Naturalization Service.  
 DHS=Department of Homeland Security.

### Economic and Fiscal Impacts of Undocumented Immigration

Determining the impact that *documented* immigrants have on the country and in Utah in terms of tax revenues, use of public services, and the economy is somewhat easier than measuring the effects of *undocumented* immigrants largely because of the lack of reliable data available on undocumented immigrants. While some methodologies have been developed for estimating the impact of undocumented immigrants on the economy, taxes, services etc., this brief will not attempt to estimate the magnitude of undocumented immigrants' impact on Utah; rather, it will examine the *ways* in which such immigrants may affect our state.

In order to understand the potential effects of undocumented immigration, Utah Foundation examined several studies. Two state-level studies, in particular, proved useful in describing how undocumented immigrants may benefit and impose costs on Utah.

The first study, "Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy" was conducted by the Texas Comptroller's office to assess the net costs to the state of undocumented immigration. [5] To estimate the size of the undocumented population, the Texas study used a combination of national data and extrapolations, available from the Pew Hispanic Center, in conjunction with state-level data, available from different agencies that estimate and collect data on the legal status of those they serve. Once the size of the population of undocumented immigrants was estimated, average costs or benefits were calculated and multiplied by the size of the population. The study also accounted for public service utilization rates, such as the rate of attendance in public schools.

Similar methodologies were used to determine impacts in the areas of healthcare, incarceration, and state taxes and revenues. Using this methodology, the Texas study concluded that undocumented immigrants imposed a cost to the state of about \$1.2 billion, including the costs from education, healthcare, and incarceration. The study also concluded that the tax and revenue benefits to the state from undocumented immigrants amounted to about \$1.6 billion, a net benefit to the state of about \$400 million. In addition, the study reported that undocumented immigrants contributed \$17.7 billion to the state's economy, as measured by Gross State Product (GSP). However, the study noted that, while the state government was a net beneficiary

from undocumented immigrants, local governments were the opposite, with net costs of \$929 million, making the overall state and local public sector financial impact a negative half-billion dollars.

The second study, "The Case for Caution," was conducted by the United Way of Salt Lake. [6] This report provides several case studies illustrating the impacts that stricter immigration laws have had on other states and the localities that have implemented reforms. It then examines the before-and-after effects of the cost of implementing those reforms, the costs of litigation associated with the reforms, and the economic impacts of the reforms.

In addition, the study collected data on areas such as income, crime, and employment from states with the highest levels of immigration. This study concluded that strict immigration reforms led to labor shortages, decreased employment, high costs of implementing reforms with little associated return, and high fiscal costs, in terms of decreased tax revenues to the states.

As stated earlier, the purpose of using these studies was not so much to determine *how much* undocumented immigrants impact Utah as much as it was to determine *how* they affect Utah. These two reports, supported by evidence from other sources, show how undocumented immigrants impact state public expenditures (e.g. services such as healthcare, crime, and education), state revenues from taxes and fees, and the state economy.

### **Potential Economic Impacts**

Theoretically, undocumented immigrants impact Utah's economy both positively and negatively. Many undocumented immigrants take jobs in industries such as agriculture, construction, and housekeeping, often because such jobs require little education and often either have few proof-of-identification requirements (such as the use of day laborers, paid in cash) or employers that are unable to verify the authenticity of identification documents provided by workers. [7] The boost undocumented immigrants provide to the workforce can add significantly to economic output. In addition, Utah's approximately 100,000 undocumented immigrants supply a large number of services for residents and businesses. If these immigrants were all to leave, the effects on Utah's consumption and production economies, including labor shortages and rising prices, could be considerable. [8]

On the other hand, some economic theories and experiences suggest that undocumented immigrants can also have a negative influence on the labor market, in that they compete with low-wage, low-skill native workers for jobs and potentially suppress wages. However, the influence of undocumented workers on labor markets is not unique to undocumented immigrants, but applies to all immigrants, documented or undocumented.

Additionally, economic theory also outlines the economic benefits that occur when the lower wages paid to undocumented workers lead to lower cost goods and services, for example, homes and farm produce. Addressing both of these arguments, Harvard economist George Borjas estimated that the wave of immigration from 1980 to 2000 lowered wages for low-skilled Americans, particularly high school dropouts, by 5-8%. He notes that the benefits of these lower wages accrue to employers as higher profits and eventually as lower prices to consumers. But the net effect is a transfer of wealth from poorer to wealthier Americans. [9]

### **Potential Impacts on Government Taxes and Revenues**

Undocumented immigrants impact Utah's government revenues through the taxes and fees they pay or avoid paying. The most obvious example where undocumented immigrants contribute to government revenues is the sales tax. Regardless of legal status, anyone who buys goods that are subject to taxation upon sale pays state and local taxes through the merchant who sold the goods.

Undocumented immigrants also provide government revenue through paying the property tax. While there are probably relatively few undocumented immigrants that own property and pay property taxes directly, they do pay property taxes indirectly through the rents paid to landlords.

Some undocumented immigrants avoid paying the personal income tax either because such taxes are assessed using personal identification information they do not have or because they are paid cash "under-the-table" by employers. Avoiding personal income tax could be considered a loss, in terms of government revenues. This is because such immigrants are able to take advantage of services, like public education in Utah, that are funded with income tax dollars without contributing to those funds. However, it should be noted that many low-wage undocumented immigrants likely do not earn enough income to pay a significant amount in personal income taxes and could qualify for the Earned Income Tax Credit and other subsidies if they did.

Undocumented immigrants pay several other taxes and fees for government services. For example, certain fees are required when undocumented immigrants enroll their children in schools or use fee-funded services from the state or local agencies. They also pay taxes on goods, such as gasoline and cigarettes, which are subject to specific excise taxes.

## Potential Impacts on Government Services

### *Education*

Undocumented immigrants can also impose a cost to the state when they utilize the free or low-cost education services the state provides, such as public education, which admits students without regard to their legal status. A 1982 U.S. Supreme Court decision required states to educate children who are undocumented. [10] A 2007 report by the Office of the Utah Legislative Auditor General found that Utah spends between \$55 million and \$85 million a year in K-12 public schools for educating undocumented children. [11]

It should be noted that, according to some experts, education should not solely be considered a cost to governments and school districts because educating undocumented immigrants can be viewed as a social and economic investment that will yield returns of lower crime and higher economic output among undocumented immigrants, as it does among legal residents and citizens.

While some undocumented immigrants may not pay income taxes, they do pay certain fees upon enrolling their children in public schools. These expenses include paying for extracurricular activities, meals, or other supplies needed for specific courses. [12] In terms of costs to the state and municipalities, immigrants with limited knowledge of English can take English language courses at schools or other locations. However, these costs apply to documented and undocumented immigrants alike.

In regards to higher education, undocumented immigrants pay tuition and fees, which are required of all students, whether documented or not. However, tuition at public higher education institutions only covers part of the total cost of attendance, with public funds covering the remainder. The state also allows undocumented immigrants to pay in-state tuition, provided they meet the three-year, in-state residency requirements imposed on all students. However, not many undocumented immigrants in Utah appear to be attending state colleges and universities, based on the number of them taking advantage of in-state tuition. [13]

### *Health and Welfare Programs*

Undocumented immigrants may impose costs on the state, as well as local entities, when they use public healthcare services that are available to all Utah residents, without regard to legal status. Such services are usually available for little or no cost to users. Healthcare services available to undocumented immigrants include: 1) emergency medical care; 2) healthcare for children with special needs; 3) public healthcare, including immunizations and certain treatments provided to all the public to protect state residents from disease; 4) mental-health care; 5) public school-based health services; 6) substance abuse treatment; and 7) the Women, Infants, and Children nutrition program (WIC). [14] It should be noted, however, that Utah has received some federal funding to help offset some of the costs of emergency health services that undocumented immigrants receive.

As with education, it can be argued that there are costs from *not* providing healthcare to undocumented immigrants. These costs include healthcare costs from increased incidence of disease and other health problems and social costs from having sick people who are unable to contribute economically and provide for their families, all of which could exist in the absence of the healthcare currently afforded undocumented immigrants.

In regards to welfare, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 created the Temporary Assistance for Needy Families (TANF) program as a replacement for the former federal welfare program. TANF benefits include: medical care, food stamps, and income assistance. According to the law, states may assist undocumented immigrants in two ways. First, states may use their federal or state funds to help with the cost of providing non-citizens with emergency, non-cash benefits necessary for the protection of life or safety. Second, states may use their own state funds to provide a particular welfare benefit only if the state chooses to enact laws that allow for such eligibility. Beyond these conditions, however, undocumented immigrants are ineligible for regular TANF benefits. [15] However, undocumented immigrants with falsified proof-of-citizenship or other identification documents can potentially take advantage of these benefits.

### *Law Enforcement and Corrections System*

Another cost undocumented immigrants impose on Utah is through the segment of their population that is arrested, tried, and put into the corrections system. The costs associated with criminal undocumented immigrants include: increased law enforcement activities performed by police and government attorneys; increased legal activities performed by public defenders and prosecutors, judges and other legal officials; and the costs of incarceration, parole, and corrections personnel.

It should be noted, however, that these costs are not unique to undocumented immigrants, but apply to undocumented and documented immigrants, as well as normal increases in population. In fact, a report published by the Immigration Policy Center in 2007 claims that increased immigration (both documented and undocumented) actually contributes to a safer United States. The report found that, on the national level, U.S.-born men ages 18-39 were five times more likely to be incarcerated than are their foreign-born peers. Similar ratios were also shown separately for all ethnic groups. [16]



In addition, the Public Policy Institute of California reported that, between 2000 and 2005, cities such as Los Angeles, which took in a higher share of recent immigrants, saw their crime rates fall further than cities with a lower influx of immigrants. In California, the foreign-born population comprises approximately 35% of the adult population but only accounts for 17% of the adult prison population, indicating that the foreign-born population tends to commit fewer crimes than their U.S. citizen counterparts. [17] It should be noted that these statistics include all foreign-born residents and do not isolate the effects of undocumented immigrants specifically.

To help ameliorate some of the costs to local and state law enforcement and corrections systems, the federal government recently passed laws, such as the State Criminal Alien Assistance Program, which authorizes partial reimbursements of costs that states incur from law enforcement, trials and appeals, and corrections associated with undocumented immigrants. However, many states have criticized this law for providing insufficient funding to compensate for their criminal justice workloads related to undocumented immigrants. The Bush Administration has also criticized the law because it has not proven effective as a criminal deterrent and because the immigration status of many inmates cannot be verified, creating uncertainty about reimbursements. [18]

## Conclusion

As undocumented immigration grows in prominence as a state and national issue, legislation aimed at addressing the costs, benefits, and other concerns related to immigration will likely be developed. While this brief has outlined how undocumented immigrants might be affecting Utah, it does not quantify or measure the degree or magnitude of these effects. In order to craft reasonable, effective, and sound solutions, more facts and data will be needed. There is currently a dearth of such data, especially at the state and local levels in Utah. It would be prudent for Utah to undertake a study similar to the study conducted by Texas, which was described in this brief. Such a research effort would enable state and local leaders to make better public policy decisions regarding undocumented immigration.

## Endnotes

[1] Pew Hispanic Center. "Unauthorized Migrants: Numbers and Characteristics." June 2005.

[2] <http://deseretnews.com/article/1,5143,615152226,00.html?pg=2>

[3] Perlich, Pamela. "Immigrants Transform Utah: Entering a New Era of Diversity," in Utah Economic and Business Review, May/June 2004: <http://www.bebr.utah.edu/Documents/uebr/UEBR2004/May-Jun%202004.pdf>

[4] Center for Immigration Studies: Homeward Bound: Recent Immigration Enforcement and the Decline in the Illegal Alien Population: [http://www.cis.org/trends\\_and\\_enforcement](http://www.cis.org/trends_and_enforcement)

[5] Strayhorn, Carole Keeton. (December, 2006) "Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy". Texas Comptroller.

[6] Gurr, Melinda; Borrowman, Mary; & Jameson, Ken. (February, 2008) "The Case for Caution", Case Studies on the Economic Impact of State and Local Immigration Reforms. United Way of Salt Lake; & Women's Philanthropic Network.

[7] Pew Hispanic Center. "Unauthorized Migrants: Numbers and Characteristics." June 2005.

[8] Gurr, Borrowman, & Jameson (2008).

[9] A good summary of Borjas' findings is found in an opinion article he wrote for the Wall Street Journal: "For a Few Dollars Less," April 18, 2006, Wall Street Journal: [http://online.wsj.com/article/SB114532411823528296.html?mod=opinion\\_main\\_commentaries](http://online.wsj.com/article/SB114532411823528296.html?mod=opinion_main_commentaries) (subscription required).

[10] See information about Plyler v. Doe at: [http://www.law.cornell.edu/supct/html/historics/USSC\\_CR\\_0457\\_0202\\_ZS.html](http://www.law.cornell.edu/supct/html/historics/USSC_CR_0457_0202_ZS.html)

[11] Office of the Utah Legislative Auditor General, "A Review of the Public Education Costs of Undocumented Children," May 2007. [http://www.le.state.ut.us/audit/07\\_07rpt.pdf](http://www.le.state.ut.us/audit/07_07rpt.pdf)

[12] Utah State Office of Education

[http://www.usoe.k12.ut.us/LAW/School%20Fee%20Forms%20Files/English/Fees\\_Notice\\_K-6.pdf](http://www.usoe.k12.ut.us/LAW/School%20Fee%20Forms%20Files/English/Fees_Notice_K-6.pdf)

[13] Center for Public Policy and Administration, the University of Utah:

[http://www.cppa.utah.edu/publications/higher\\_ed/Policy\\_Brief\\_2\\_13\\_07\\_In-state\\_Tuition.pdf](http://www.cppa.utah.edu/publications/higher_ed/Policy_Brief_2_13_07_In-state_Tuition.pdf)

[14] The Bell Policy Center, "Costs of federally mandated services to undocumented immigrants in Colorado," June 30, 2006, <http://www.thebell.org/PUBS/IssBrf/2006/06ImmigCosts.pdf>.

[15] U.S. Department of Health and Human Services – Administration for Children and Families: <http://www.acf.hhs.gov/programs/ofa/>

[16] Immigration Policy Center, "The Myth of Immigrant Criminality and the Paradox of Assimilation: Incarceration Rates among Native and Foreign-Born Men," Spring 2007, [http://www.immigrationpolicy.org/images/File/specialreport/Imm%20Criminality%20\(IPC\).pdf](http://www.immigrationpolicy.org/images/File/specialreport/Imm%20Criminality%20(IPC).pdf)

[17] Public Policy Institute of California, "Crime, Corrections, and California: What Does Immigration Have to Do with It?" <http://www.ppic.org/main/publication.asp?i=776>

[18] See a critique from the White House at: <http://www.whitehouse.gov/omb/expectmore/summary/10001096.2003.html>

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