

The Chilling Effect:
Public Service Usage by Mexican Migrants to the United States

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Abstract

A major shortcoming of most prior research on immigrant's use of social services and tax payments is the inability to disaggregate findings by legal status. Data from the Census and Current Population Survey only distinguish between citizens and other foreigners, and very few datasets contain information sufficient to identify undocumented migrants with any reliability. The one exception is the Mexican Migration Project, which has compiled information on taxes paid and services used by Mexican migrants in all legal statuses for more than two decades. In this paper, we use these data to shed light on the patterns and determinants of service use and tax payment among the largest immigrant population in the United States. Our findings illustrate that rates of service usage have dropped since 1986, at the same time that rates of tax payment and health insurance coverage have risen. The net effect of these two countervailing trends, we argue, has been a sharp decline in the use of unreimbursed services by Mexican migrants to the United States.

The Chilling Effect: Public Service Usage by Mexican Migrants to the United States

Two trends have coincided during the 1960s and 1970s: expansion of the U.S. welfare state and the resurgence of mass immigration from poor countries. The salience and simultaneity of led some to wonder whether immigrants were arriving to take advantage of generous social services offered by the United States, and whether citizen taxpayers were somehow paying for these services. By the end of the century, this topic – the cost of public services consumed by immigrants – has led to controversy and debate about two questions. First, to what extent do undocumented migrants in the United States use publicly provided services? And second, to what degree are the public services they consume offset by immigrant-generated tax revenues?

Although prior studies have considered the first question, this work has been more speculative than analytic because reliable data on undocumented migrants are scarce. One early review of existing studies largely based on small convenience samples found that authorized migrants rarely drew upon means-tested services such as welfare, food stamps, or supplemental security income (Massey and Schnabel 1983). When undocumented migrants did make use of U.S. educational and medical services at higher rates, their usage was lower than one would predict given their socioeconomic characteristics (Massey et al. 1987).

Studies of service use by documented immigrants have relied on census data on the foreign born. Although foreigners enumerated in the census include a significant number of undocumented migrants and legally resident non-immigrants, census data are tacitly assumed to refer only to legal immigrants and citizens. This assumption, however, has become increasingly problematic because of the growing settlement of undocumented migrants and the increasing entry of legal temporary workers (see Massey and Bartley 2005).

Some early work based using the 1980 census suggested that the foreign born were less likely than natives to use publicly provided services, controlling for their demographic, social, and economic characteristics (Tienda and Jensen 1986; Jensen and Tienda 1988). However, using 1970-1990 data, Borjas and colleagues found that welfare use increased with time spend in the United States and that recently arrived immigrants used social services at significantly higher rates than earlier arrival (Borjas and Trejo 1991; Borjas 1995). Borjas and Trejo (1993) also found that much of the change in welfare usage was driven by the shift in immigrant origins toward nations that sent large number of refugees, such as Russia, Cuba, Vietnam, and Cambodia. In contrast to immigrants admitted for family reunification or employment reasons, refugees generally display higher rates of social service usage.

Although service consumption by immigrants has been a topic of public discussion since the 1960s, the issue gained considerable traction during the early 1990s. In the context of a severe economic recession, the use of public services by foreigners became an explosive issue, especially in California, the largest immigrant-receiving state and one of the states hit hardest by the post-Cold War recession. In 1993, anti-immigrant activists succeeded in placing on the ballot Proposition 187, also known as the “Save Our State” (i.e. SOS) initiative. Passed by a wide margin, the proposition banned undocumented migrants from receiving all publicly provided services except emergency medical care. Although federal courts struck down most of its provisions as unconstitutional, Proposition 187 nonetheless served as a potent vehicle for conservative political mobilization and fed directly into the emerging debate on welfare reform.

As the 1990s progressed, many continued to publish studies documenting inter-cohort increases in welfare use and to publicize the results in popular outlets (Borjas 1996; Borjas and Hilton 1996). In one particularly provocative paper, Borjas (1999) argued that once in the United States, immigrants were drawn to states that offered the highest welfare benefits. He estimated a model showing that, other

things equal, immigrants on welfare were more concentrated in high-benefit states than those who were not on welfare and coined the term “welfare magnets” to describe high benefit states. Although Massey and Espinosa (1997) had showed that welfare was not a significant force in attracting immigrants in the first place, the term stuck and resonated with the public.

The wave of concern about immigration and welfare crested in 1996 with the passage of two pieces of reform legislation. The Illegal Immigration Reform and Immigrant Responsibility Act (usually called the 1996 Immigration Reform Act) declared undocumented migrants ineligible to receive social security benefits and limited their eligibility for educational benefits, even if they had paid the requisite taxes; it also gave authority to states to limit public assistance to all foreign nationals, whether legal or illegal. The Personal Responsibility and Work Opportunity Reconciliation Act also contained provisions with far-reaching effects on immigration. Known as the 1996 Welfare Reform Act, it barred illegal migrants from most federal, state, and local public entitlement programs and required federal verification of the immigration status of all foreign nationals before they could receive any federal benefit. It also placed new restrictions on legal immigrant access to public services, barring them from receiving food stamps or supplemental security income, and prohibiting them from using any means-tested program for five years after admission. The Welfare Reform Act also gave states greater flexibility in setting eligibility rules for legal immigrants, and gave them the statutory authority to exclude them entirely from federal and state programs.

Together these two pieces of legislation accomplished nationally what Proposition 187 was unable to do in California—it definitively barred undocumented migrants from social security coverage and means-tested programs. But federal lawmakers went further than Proposition 187 by drastically reducing the access of legal immigrants to public programs. The end result was a “chilling effect” on the use of social services by all immigrants (Fix and Zimmerman 2004). Throughout the United States

rates of welfare and other entitlement use by foreigners fell sharply. In most regions of the country the drop paralleled a similar decline among natives, but in California the decline among immigrants was much steeper (Zimmerman and Fix 1998; Borjas 2002), even for services to which they were legally entitled. Therefore, by the turn of the century, rates of immigrant welfare use had fallen to historically low levels.

Determining the net balance between public funds expended on behalf of immigrants and tax revenues generated by them is a tricky exercise in statistical modeling that involves many assumptions and educated guesses. The most comprehensive analysis of the net fiscal effect of immigration was undertaken by the National Research Council (NRC) (see Smith and Edmonston 1997). It concluded that although immigrants produced a net fiscal gain for federal coffers, it yielded a net loss for state and local governments. Drawing on research by Clark (1994), Vernez and McCarthy (1995), and Espenshade and colleagues (Rothman and Espenshade 1992; Garvey and Espenshade 1996) as well as its own calculations, the NRC figured that under current conditions, the prevailing cost of admitting an immigrant to native households was around \$10 per year in New Jersey and around \$45 in California.

To sum, a major shortcoming of most prior research on services and taxes is the inability to disaggregate findings by legal status. Data from the Census and Current Population Survey only distinguish between citizens and other foreigners, which consist of legal permanent residents, undocumented migrants, and foreigners living in the United States with temporary, non-resident visas (Massey and Bartley 2005). Very few datasets contain information sufficient to identify undocumented migrants with any reliability. The one exception is the Mexican Migration Project, which has compiled information on taxes paid and services used by Mexican migrants in all legal statuses for more than two decades. In this paper, we use these data to shed light on the patterns and determinants of service use and tax payment among the largest immigrant population in the United States.

DATA AND MEASURES

The Mexican Migration Project (MMP) began in 1982 and, since 1987, it has annually surveyed communities throughout Mexico to build a comprehensive data base on documented and undocumented migration to the United States. Its procedures and the resulting data sets have been exhaustively described in numerous publications (see Massey 1987; Massey and Zenteno 2000; Massey and Capoferro 2004; Durand and Massey 2004). Each year 4-6 communities ranging in size from small villages to neighborhoods in large metropolitan areas are selected and randomly surveyed. A semi-structured interview known as the ethnosurvey is applied to gather social, demographic, and economic information about each household and its members. A special module collects information on the first and last U.S. trips made by each household member, and all household heads and spouses are administered a retrospective questionnaire that compiles a complete history of migration from age 15 (or age of entry into the labor force) onward. Heads are also asked a detailed battery of questions about their last trip to the United States, including specific queries about service usage and tax payment. Copies of the MMP questionnaire, a description of the sample, and all data files are available from the project website at <http://www.opr.mmp.princeton.edu/>.

Each Mexican community survey is followed a few months later by a survey of out-migrants originating in that community who have settled in the United States and no longer return home regularly to be interviewed in Mexico. These respondents are located using snowball or chain-referral sampling methods. Data from surveys on both sides of the border are then cleaned, coded, and assembled into composite files that have been shown to be remarkably representative of the binational migrant community formed by recurrent migration and settlement (Massey and Zenteno 2000). As of the present writing, this data set includes 93 Mexican communities containing 16,000 households and more than 80,000 individuals.

Although the MMP has tried to achieve consistency in measurement over time, some changes have been introduced into questions on service usage. Prior to 1998 (or the first 52 communities), questions on service usage asked whether food stamps, unemployment insurance, or welfare payments were ever received “over the length of your experience of life or work in the United States.” Beginning in 1998, however, the question was re-worded to refer to services consumed “on the last trip or most recent visit to the United States.” In addition, the new question added specific queries about use of the nutritional supplement program for women, infants, and children (WIC); Supplemental Security Income program for the disabled and impoverished elders (SSI); general assistance provided by individual states; Temporary Assistance to Needy Families (TANF) program that replaced Aid to Families with Dependent Children after the Welfare Reform Act was implemented in 1996; and Medicaid, the federal health subsidy program serving the uninsured poor. Other new questions on contributions were also added in 1998, including whether respondents filed a tax return was filed and held a U.S. credit card.

Aside from these additions, there was an important shift in the reference period of the question wording from lifetime use to consumption on the last U.S. trip. For migrants with only one trip, the resulting data are equivalent. But for those with multiple trips, the meaning of these data depends on whether the service usage question was asked before or after 1998. Therefore, to ensure comparability, we exclude migrants with multiple trips from data collected in 1997 or before. This permits us to gain comparability over time, even though we sacrifice interesting information on lifetime patterns of service usage by migrants with extensive U.S. experience. All subsequent analyses thus refer to the services used and contributions made at the time of the migrant’s most recent U.S. trip. For interviews completed before 1998, it is also their first trip.

SERVICE USE AND CONTRIBUTIONS BY LEGAL STATUS

Table 1 shows contributions and consumption by Mexican migrants to the United States in three legal status groups: citizens and legal permanent residents, who we call documented migrants; persons who entered the country without inspection or entered legally but violated the terms of their visa, who we call undocumented migrants; and those who entered on a legitimate non-resident visa (e.g. tourist or temporary worker) but did not violate its terms, who we call temporary migrants. We divide the services consumed by immigrants into two categories—those that are unrestricted entitlements accessible to anyone in the United States irrespective of legal status, and those that involve some sort of legal test or administrative filter to confirm eligibility. According to federal court decisions, the only unrestricted services are public education and medical care. Since 1996, most other services entail some sort of restriction or eligibility check.

TABLE 1 ABOUT HERE

We also divide immigrant contributions into two categories. The first category includes direct financial contributions to offset the cost of providing public services, namely taxes withheld and health contributions made either through personal funds or in the form of insurance payments. The second are more general indicators of connections or contributions to U.S. society, such as filing a tax return, having a bank account, and possessing a credit card. These indicate the degree to which a migrant is integrated into the American economy. Filing a tax return is particularly crucial in assessing the cost of services because not submitting a return precludes the possibility of receiving any kind of refund. Unless a return is filed, taxes paid represent a permanent contribution to government ledgers.

The top panel of the table reports usage rates for unrestricted services to which immigrants have a basic human right as U.S. residents. Since people inevitably get sick and suffer mishaps and accidents, it is not surprising that the highest use levels are observed for medical services. Overall, 40 percent of

Mexican migrant household heads reported seeing a doctor in the United States and one-third said they had visited a hospital. In contrast, just 17 percent of migrants reported sending children to U.S. schools.

Despite the presumed universality of the right to education and health in the United States, we nonetheless observe large differentials by legal status, with rates of usage among documented migrants being 2-3 times those of the undocumented. Thus, whereas 65% of citizens and legal residents reported seeing a doctor and 57% visited a hospital, the figures were only 31% and 26% among those in unauthorized status. Likewise, whereas 35% of documented migrants sent children to U.S. public schools, only 11% of undocumented migrants did so. Service rates were lowest among temporary migrants. Just 21% said they had seen a doctor, 14% had visited a hospital, and 4% had used U.S. schools on their last trip to the United States.

Given the large usage differentials by legal status for unrestricted services, we expect to uncover even larger differentials for those that are restricted. The second panel of Table 1 suggests that this is generally the case. Among restricted services, the highest usage rates are observed for unemployment compensation, with 28% of citizens and legal residents reporting usage on the last trip. Among undocumented migrants, however, the usage rate was just 4%, compared with 2% for temporary migrants. Moreover, usage rates for welfare and food stamps are low even among citizens and legal resident aliens. Only 11% said they used food stamps on their last trip and just 8% said they had been on welfare. For undocumented and temporary legal migrants, usage rates never exceed 4%.

Questions about the use of specific public services—TANF, WIC, Medicaid, and general assistance—were only included after 1997. The WIC food supplement program for pregnant women and infants displayed the highest rate of usage at around 10% for documented migrants, and 4% for persons in unauthorized status. Medicaid—the federally subsidized health assistance program for the poor—was the only program where usage rates were higher for undocumented than documented

migrants, being 9% for the former and 5% for the latter, compared with 5% for temporary migrants. Rates for the use of the current welfare program (TANF), supplemental security income (SSI), and general assistance were generally minuscule, even among legal immigrants and citizens, much less among undocumented and temporary migrants.

However, when it comes to the financial contributions to public ledgers, rates of immigrant participation are much higher and differentials by legal status are muted. Thus, 89% of documented migrants reported having social security taxes withheld from their pay, and 88% reported withholding of income taxes. Although the percentages were smaller for undocumented migrants, they were still rather robust at 66% for social security taxes and 63% for income taxes, and for temporary migrants at 64% and 60%. Among the 820 documented migrants who reported using a doctor or hospital in the United States, 67% reported paying the bill themselves and 5% said it was covered by private health insurance. Among the 772 undocumented migrants using medical services, the respective figures were 51% and 3%, compared with 27% and 4% among 190 temporary migrants.

Although we do not have precise information on the amounts withheld, these relatively high rates of tax payment would appear to offset the cost of service usage by Mexican migrants, particularly among the undocumented. However, the degree to which tax payments offset the social costs of immigrants also depends on whether some or all of the money paid in taxes is returned to migrants as a refund after the end of the tax year. Although we do not know whether respondents received a refund or how much they received, we do know whether they filed a return at all; and if no return was filed, then certainly no refund was received.

As Table 1 shows, there is a sizeable gap between the percentage paying taxes and the percentage filing a return among all groups, but it is largest among undocumented and temporary migrants. Whereas around nine out of ten citizens and legal residents paid taxes, only around 60% filed

a return, meaning that at least 30% received no refund. Furthermore, among undocumented and temporary migrants, even though two-thirds had taxes withheld, only 10-12% submitted a tax return, suggesting that upwards of 50% received no refund. Indicators of other connections to U.S. society likewise display similar sharp differentials according to legal status. Whereas around a third of documented migrants reported having a U.S. bank account and about a quarter owned a U.S. credit card, the respective figures for undocumented migrants were just 8% and 4%, whereas among temporary migrants they were about 2% and 3%.

The overall pattern that emerges is one in which undocumented and temporary migrants, and to a lesser extent legal residents and citizens, pay taxes at relatively high rates but make relatively little use of publicly provided services and are unlikely to submit a request for tax refunds. This profile, however, only represents the average situation of migrants who may have taken trips across a range of different years, and our review of recent shifts in immigration and welfare policy suggest that rates of usage might have changed dramatically in the 1990s. In the next section, therefore, we examine trends in service usage and financial contribution by period.

TRENDS IN SERVICE USE AND CONTRIBUTIONS

We classify the time of the trip into four distinct periods. Years prior to 1987 correspond to the pre-IRCA period, years before the passage of the Immigration Reform and Control Act, which dramatically altered the status quo for Mexican immigrants in a variety of ways, notably by criminalizing undocumented hiring, legalizing former undocumented workers, and inaugurating a secular build-up of border enforcement resources. The period 1987-1992 is the period immediately post-IRCA when legalization applications were being processed, 2.3 million Mexicans were receiving permanent residence status, and the size and resources of the U.S. Border Patrol began to expand. The period 1993-1996 is when Proposition 187 mobilized anti-immigrant sentiment in California, Operation

Blockade was launched to prevent the crossing of undocumented migrants in El Paso, and Operation Gatekeeper was inaugurated to prevent unauthorized border-crossings in San Diego. This period culminated with the passage of the Immigration and Welfare Reform Acts in 1996. The final period is the post-reform period, when border enforcement reached new heights (Andreas 2000; Massey, Durand, and Malone 2002).

Documented Migrants

Figure 1 shows period-specific trends in the use of social services by household heads who were citizens or legal resident aliens at the time of their last trip, focusing on those services for which data exist across all survey years. The overall direction of the usage curves is downward, providing support for the “chilling effect” of U.S. policies noted by Zimmerman and Fix (2004), even for unrestricted services such as education and medical care. Whereas 70% of documented migrants said they used a doctor on trips taken prior to 1993, afterward the usage rate fell sharply, reaching 55% in 1993-96 and 41% in 1997-02. A similar pattern is observed for hospital usage, which fell from 68% before 1987 to 42% in 1997-02. Use of public schools by documented migrants likewise dropped from 52% before IRCA to just 19% in the post reform era after 1996, and unemployment fell from a peak of around 33% in 1987-92 to just 9% in 1997-02. Rates of welfare and food stamp usage were very low irrespective of period, fluctuating closely around 10%.

FIGURE 1 ABOUT HERE

The foregoing graph thus suggest a “chilling effect” in the use of public services by legal Mexican immigrants but suggest that it started before national reform legislation was passed in 1996, dating back to Proposition 187 and the various border mobilizations in the early 1990s. While a chilling effect may have taken hold in the use of public services, however, it does not appear to have extended to the payment of taxes and other societal contributions. Figure 2 shows that the withholding of federal

taxes remained high and steady in the range of 80-90% from before 1987 through 1996, and then increased to record levels that approached 100% in later years. As of the most recent period, 97% reported tax withholding and 67% reported filing a tax return, yielding a smaller gap than before 1987 but sizeable nonetheless. The only decline was in the percentage of respondents who said they paid for their own health care; it dropped gradually through 1996 but sharply thereafter, mirroring the shift in the share saying they had health insurance coverage. This suggests a direct substitution between insurance and out-of-pocket payment, and hence, no increase in the potential burden to taxpayers.

FIGURE 2 ABOUT HERE

Undocumented Migrants

Although undocumented migrants may have certain rights to education and health care, their usage rates are nonetheless low compared with documented migrants irrespective of period. But like them, undocumented migrants display a decline in usage rates beginning after 1992. The percentage seeing a doctor declined from around 37% on trips taken between 1987 and 1992 to around 18% between 1997 and 2002, and usage rates of hospitals displayed a very similar trend. Usage rates for entitlement programs such as welfare, food stamps, and unemployment compensation were well under 10% across all periods, and trended down toward zero in the final period. The use of U.S. public schools by undocumented migrants peaked at around 14% in 1987-92 and fell by half to 7% in 1997-02.

FIGURE 3 ABOUT HERE

As with documented migrants, the decline in undocumented service usage was not accompanied by a corresponding drop in their financial contributions. As shown in Figure 4, tax withholding among them dipped slightly during the periods 1987-92 and 1993-96, but then recovered to reach a level of around 66-67% in 1997-02, just below where it had been before 1987. At the same time, the percentage of undocumented migrants filing a tax return, which was low to begin with, fell even lower after 1992

reaching 5% in 1997-02. Whereas two-thirds of undocumented migrants paid into the U.S. tax system, the vast majority did not file a tax return to collect a refund and most were not using any services. However, the rate at which undocumented migrants reported paying for their health care declined slowly from 52% to 42%, and unlike documented migrants, this shift was not offset by an increase in insurance coverage.

FIGURE 4 ABOUT HERE

Temporary Migrants

Perhaps the starkest evidence of a chilling effect after 1996 occurred among legal temporary migrants. As shown in Figure 5, visits to the doctor held fairly steady at just under 30% from before 1987 through 1996, but then plummeted to 5%. The pattern for hospital visits was similar, dropping from 22% in 1993-96 to 6% in 1997-02. By the most recent period, usage rates for virtually all social services had converged to a narrow range from 0% to 6%, by far the lowest of any legal status group.

FIGURE 5 ABOUT HERE

Despite the decline in service usage, the contribution rates generally remained steady, with approximately 50% of temporary migrants reporting the withholding of federal taxes in the most recent period and a slight decline in the tendency to file tax returns, which was only reported by 8% of respondents (see Figure 6). As with the documented migrants, there was a sharp decline in personal payments for health care, but like undocumented migrants, this drop was not offset by a corresponding increase in insurance coverage.

FIGURE 6 ABOUT HERE

DETERMINANTS OF SERVICE USE

Although the foregoing analyses are consistent with the hypothesis of a chilling effect in the use of public services, it is always possible that the trend toward lower rates of service usage reflects

changes in underlying individual or family characteristics associated with service use rather than shifts in public policies or political climate. Table 2 thus estimates a series of logistic regression models to predict the odds of using three kinds of services from a series of period indicators while controlling for a migrant's personal characteristics, education, occupation, family situation, prior U.S. experience, and legal status. If migrants reported using food stamps, welfare, or unemployment on the last U.S. trip, we coded the indicator for social service usage as 1 and set to 0 otherwise. If migrants reported going to a doctor or hospital on the most recent U.S. visit, the indicator for health services was coded 1 and set to 0 otherwise. Finally, the indicator for public schools is a simple dummy variable that took the value of 1 when respondents reported having in children in U.S. schools and 0 otherwise. In all comparisons, the reference category is the pre-IRCA (before 1987) period.

TABLE 2 ABOUT HERE

Across the three models, the personal and family characteristics generally behave as one might expect. Women display higher propensities toward service use than men and usage generally increases with U.S. experience, the accumulation of family members in the U.S., and English language ability. In contrast, the likelihood of service consumption is lower for other occupations compared with professionals and among temporary and undocumented migrants. Holding these and other effects constant, however, we continue to observe a temporal pattern consistent with the hypothesis of a chilling effect.

Other things equal, there is a highly significant increase in the propensity to consume U.S. public services just after IRCA's passage in 1986. Compared to a coefficient of zero before 1987 (the effective coefficient for the reference category), the coefficient predicting welfare use increases to 1.209 during 1987-1992 while that predicting the use of health services rises to 0.461 and that predicting school usage goes to 0.228. The propensity to consume social welfare and health services remains essentially

unchanged in 1993-1996, but thereafter, the odds of service consumption fall significantly relative to the 1987-96 period. The coefficient predicting social welfare usage falls from 1.197 during 1993-1996 to 0.596 during 1997-2002, while that predicting the use of health services goes from 0.454 to -0.203. The negative coefficient indicates that the likelihood of going to a doctor or hospital fell to an all-time low during the period immediately after passage of the Immigration and Welfare Reform Acts of 1996.

The decline in the likelihood of sending children to public schools was both more gradual but also more extreme compared with the other service usage trends. It was more gradual in the sense that elevated usage rates did not prevail from the period 1987-1992 into 1993-1996. Rather the coefficient predicting school usage fell from 0.228 in the former period to 0.052 in the latter, a statistically significant shift, and continue to proceed monotonically thereafter. The trend was also more extreme, however, because the probability of school use fell very sharply after 1996, with the coefficient attaining the large negative value of -0.581. However, as with the use of health services, the probability of using schools fell to an all-time low after 1996. In sum, among Mexico-U.S. migrants at the turn of the century, fewer people sought medical care and sent children to public schools than at any point in the postwar history of Mexico-U.S. migration, and receipt of social services was well down from its peak immediately after 1986.

DETERMINANTS OF FINANCIAL CONTRIBUTIONS

Table 3 estimates the same basic model to predict the likelihood of making selected contributions: paying federal taxes (either social security or income taxes); filing a federal tax return; and purchasing health insurance. In general, the control variables show that the likelihood of making such contributions is lower for women, varies in curvilinear fashion with age, and rises with U.S. experience, English ability, education, and a growing number of family members in the United States. It

is generally lower for temporary and undocumented migrants and for incumbents of non-professional occupations.

TABLE 3 ABOUT HERE

Once the effects of these variables are held constant, however, we see no chilling effect in the odds of paying taxes or the purchase of health insurance. On the contrary, if anything, Mexican migrants are more likely to make a contribution. The odds of paying taxes, for example, rise monotonically from 1987-92 through 1993-96 to 1997-2002, with coefficients of -0.114, -0.045, and 0.190, respectively. Likewise, the odds of being covered by health insurance also move steadily upward, with the coefficient going from 0 before 1987, to 1.664 during 1987-92, reaching 2.202 in 1993-96, and peaking at 3.400 in 1997-2002. However, while the odds of filing a return slightly decline from 1987-92 through 1992-96, they drop significantly in the latest period. Thus, Mexican migrants become more likely to pay taxes and be covered by insurance, but the propensity to file tax returns dips in the most recent period.

CONCLUSIONS

Together, the declining rates of service usage combined with increasing rates of tax payment and health insurance coverage suggest a falling propensity for Mexican migrants to use unreimbursed social services in the United States. We examined this hypothesis more closely by estimating an equation to predict the odds of receiving two unreimbursed services on the last U.S. trip. The left-hand columns of Table 4 present coefficients from a model that predicts consumption of unreimbursed medical services, defined as use of a doctor or hospital but no payment by personal funds, family funds, or insurance. The right-hand columns show coefficients from a model that predicts unreimbursed social services, defined as receiving food stamps, welfare, or unemployment payments but no tax withholding.

TABLE 4 ABOUT HERE

As the period indicators show, the likelihood of using medical services without paying for them increased through 1987-1992 and 1993-1996 and then plummeted after 1996 to equal levels observed during the period before 1987. In contrast, the use of unreimbursed social services surged immediately post-IRCA in 1987-92 (when the coefficient reaches .826), then fell modestly during 1993-1996 (coefficient of .656) before dropping precipitously after the implementation of the Immigration and Welfare Reform Acts in 1996 (to reach -.682 in 1997-2002). In other words, our analyses clearly indicate that Mexican migrants are less likely to make use of public services and they are more likely to pay in some way for the services they do use, putting the unreimbursed use of public services at levels that are at or below historical levels.

We thus find empirical support for Zimmerman and Fix's (1998) hypothesis of a chilling effect in the consumption of social services. Raw trends showing declines in service usage after 1996 are confirmed by multivariate analyses that control for possible changes over time in characteristics associated with service usage, such as family circumstances, U.S. experience, socioeconomic status, and unlike prior research, legal status. In addition, however, we have also documented rising rates in tax payments and the purchase of health insurance. The net effect of these two countervailing trends has been a sharp decline in the use of unreimbursed services by Mexican migrants to the United States. These results confirm the earlier findings of Massey and Espinosa (1997), which suggest that migrants are not attracted to the United States by the prospect of generous social transfers. If anything, they continue to migrate despite steady erosion in access to services and a growing proclivity toward the payment of taxes from which many will never benefit.

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Figure 1. Use of services by period for documented migrants

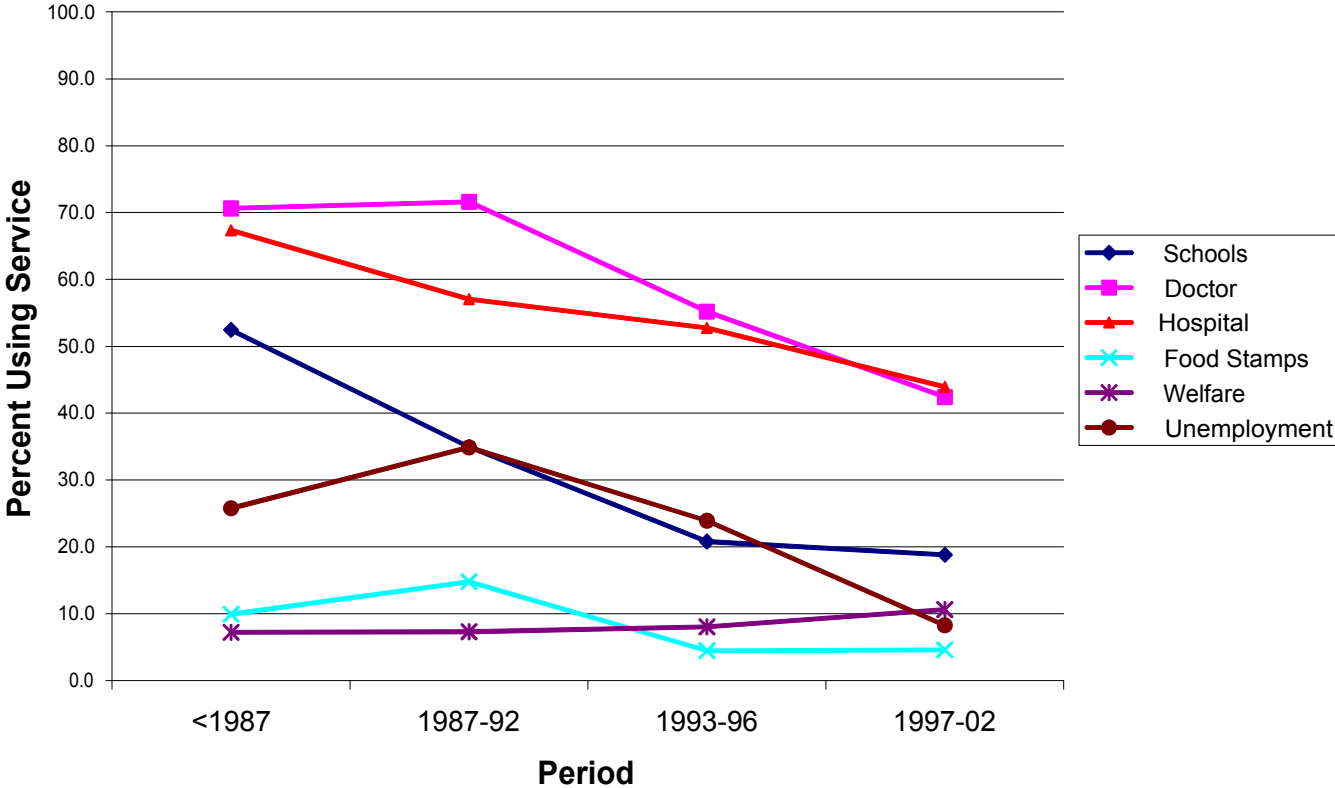


Figure 2. Contributions to service provision by period for documented migrants

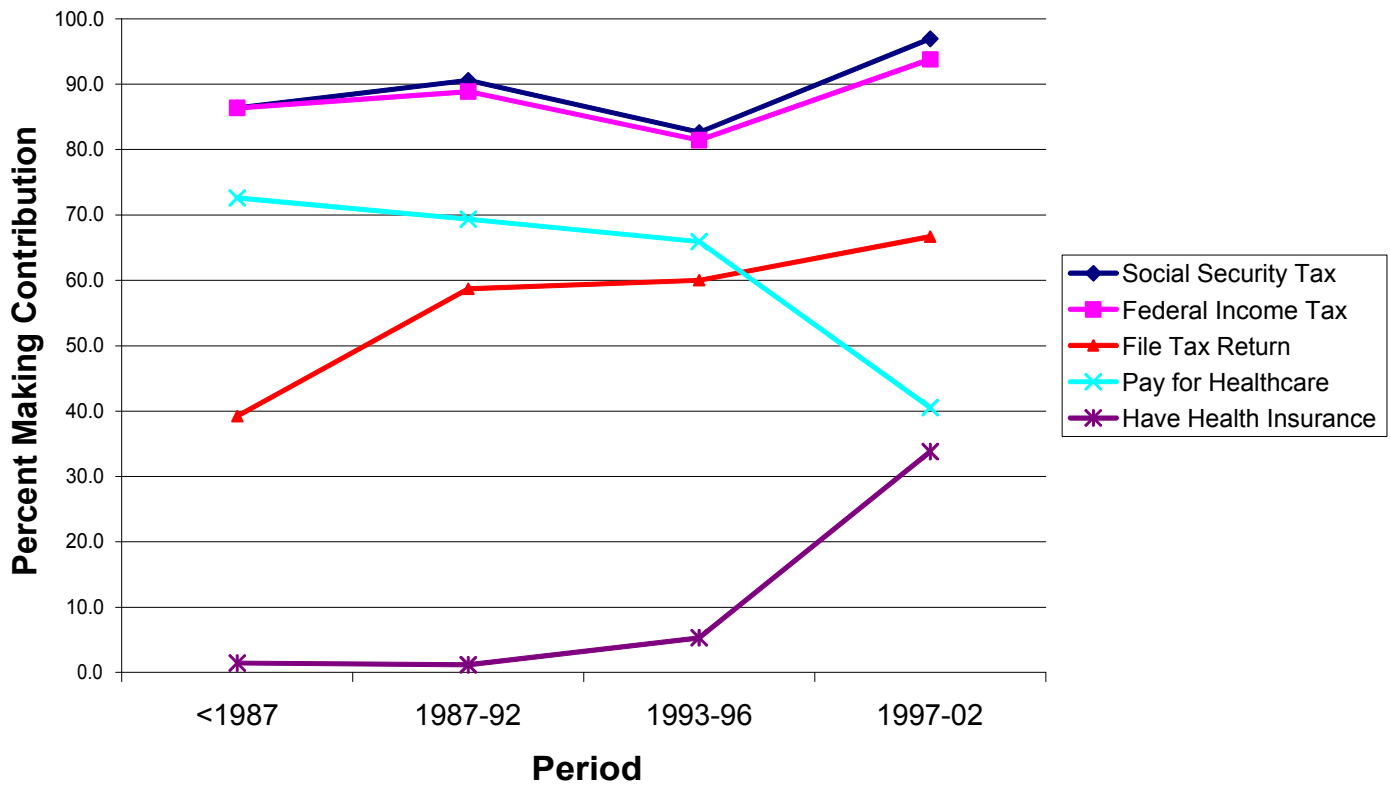


Figure 3. Use of services by period for undocumented migrants

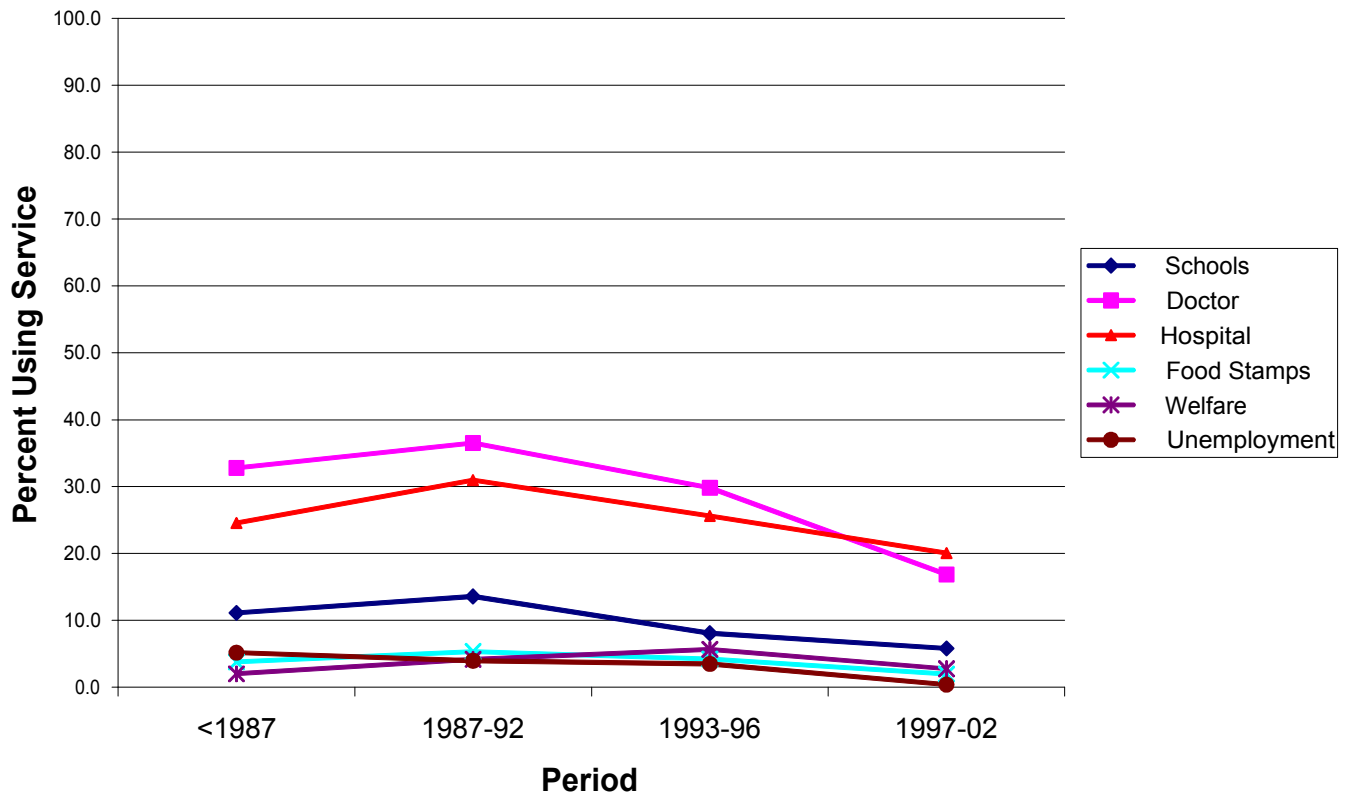


Figure 4. Contributions to service provision by period for undocumented migrants

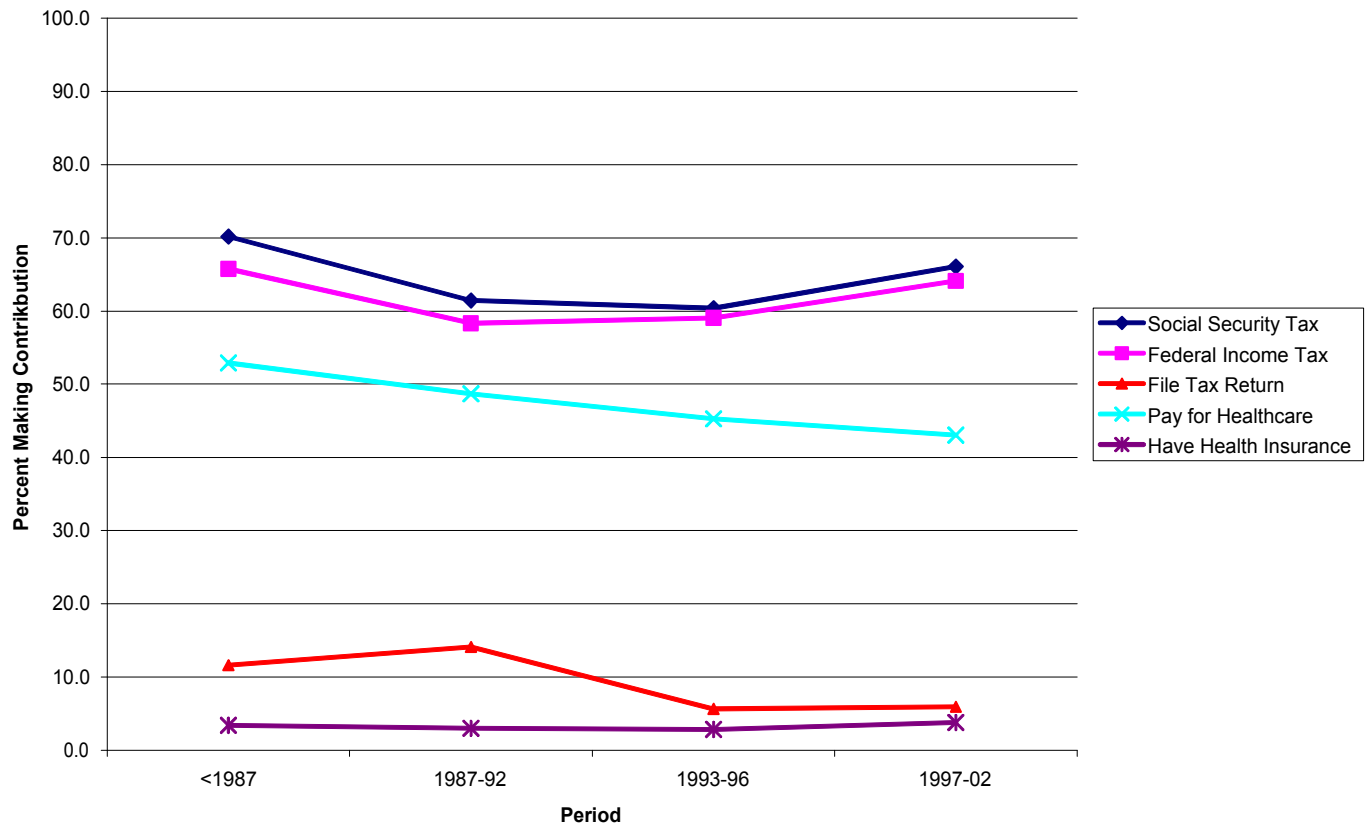


Figure 5. Use of services by period for temporary migrants

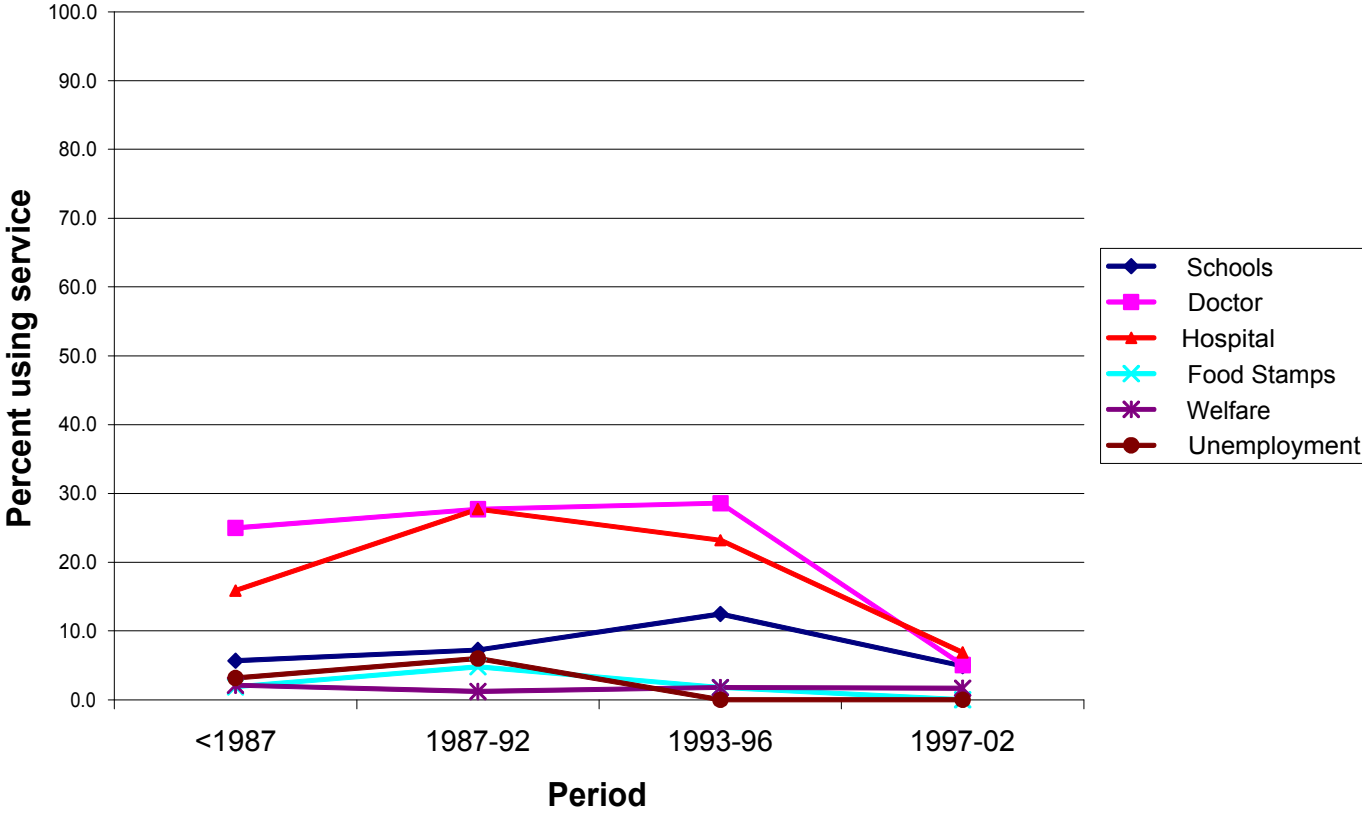


Figure 6. Contributions to service provision by period for temporary migrants

