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The difference between immigrants' and natives' use of welfare programs is concentrated among the elderly. Elderly immigrants' use of welfare rose during the 1980s, while elderly natives' welfare participation rates fell. This paper examines the determinants of immigrants' welfare participation decisions in order to shed light on the experience of the 1980s and to evaluate the consequences of proposed changes in immigration policy. An important finding for immigration policy is that immigrants who arrive after age 55 are significantly more likely to use welfare than the typical immigrant who arrives during prime working years. Surprisingly, this age-at-arrival effect is not explained by differences in Social Security benefits between young-arrivers and old-arrivers. The results also suggest strongly that the problem of immigrant welfare use is not simply low incomes or poor labor market performance. While low incomes are obviously necessary in order to qualify for welfare benefits, decisions regarding *takeup* of benefits are an important explanation for the effect of age at arrival. Finally, the sharp rise in immigrants' use of welfare during the 1980s was due mostly to higher welfare participation rates of *new* immigrants.

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Introduction

Policy debates regarding immigration and the welfare system were until recently largely separate conversations. During the last two years, however, attention at both the federal and state levels has turned to the link between immigration and welfare policy. Efforts at discouraging new immigrants have included attempted reductions in immigrants' access to government programs, while those aiming to reduce welfare program expenditures have focused attention on immigrants as a group that is arguably less entitled to welfare benefits.

The major difference in natives' and immigrants' use of welfare programs is concentrated among the elderly population. Among individuals aged 18 to 64, welfare participation rates in 1989 were 3.8 percent for natives and 3.9 percent for immigrants (see Table 1). In contrast, among individuals 65 years and older, participation rates were 6.9 percent and 13.6 percent, respectively. Figure 1 shows that welfare participation takes a discrete jump at age 65, suggesting that welfare use by the elderly is a phenomenon distinct from welfare use by the non-elderly. Policymakers have also recognized that elderly immigrants form a rapidly growing portion of the welfare population. Between 1982 and 1994, the number of non-citizen recipients of Supplemental Security Income -- the main federal cash welfare program for the elderly -- rose from 127,900 to 738,140 (Ponce and Scott, 1995). These facts together call for an analysis of immigrant welfare participation that focuses on the elderly population.

This paper contributes to the debate about immigration and welfare by examining the reasons for elderly immigrants' higher use of welfare programs relative to natives and the causes of the growth in immigrants' welfare dependency during the 1980s. An important finding for immigration policy is that immigrants who arrive after age 55 are significantly more likely to use welfare than the typical immigrant who arrives during prime working years. Surprisingly, this age-at-arrival effect is not explained by differences in Social Security benefits between young-arrivers and old-

arrivers. The results also suggest strongly that the "problem" of immigrant welfare use is not simply low incomes or poor labor market performance. While low incomes are obviously necessary in order to qualify for welfare benefits, decisions regarding *takeup* of benefits are an important explanation for the effect of age at arrival. Finally, the sharp rise in immigrants' use of welfare during the 1980s was due mostly to the higher welfare participation rates of *new* immigrants.

Public Policy Background

Welfare participation by immigrants has been shaped to a large extent by changes in policy. The 1965 Immigration Act began a new chapter in immigration history by eliminating the European-biased national origin quotas instituted by the 1924 Immigration Act. The 1965 Act established two basic categories of immigration visa: occupational preference and family reunification. An immigrant could receive higher priority entry into the U.S. if he/she had occupational skills in particular demand, or if family members resided permanently in the U.S. In 1992, 46 percent of immigrants admitted to the U.S. entered based on family ties, while 12 percent were selected based on occupational preference (Committee on Ways and Means, 1994). These facts imply that immigrants are not selected in a way that maximizes their income potential in the U.S. and are often cited as a primary reason for immigrants' high use of welfare programs and poor labor market performance.

The 1975 and 1980 Refugee Acts opened the doors to another category of immigrant: those seeking political asylum. These acts not only admitted immigrants from war-torn countries; they also established specific aid programs (providing both cash benefits and services such as language training, job search assistance, etc.) for refugees. In 1992, 12 percent of immigrants admitted to the U.S. were classified as refugees or asylees (Committee on Ways and Means, 1994).

A third important immigration policy shift was the 1986 Immigration Reform and Control Act (IRCA), which granted amnesty to any illegal alien who had been in the U.S. for at least five

years and to a class of workers called Special Agricultural Workers. In 1992, IRCA legalizations accounted for 17 percent of immigrant admissions (Committee on Ways and Means, 1994).[1] IRCA also established a five-year ban on these "amnesty" aliens' eligibility for public assistance programs. The most recent data used in this paper, the 1990 Census, was collected while this ban was still in effect. Evidence suggests that welfare participation by immigrants has risen noticeably since 1990 (Ponce and Scott 1995). This would not be surprising, given that IRCA aliens were lower-skilled than other non-refugee immigrants.

An important feature of welfare policy for immigrants is the fact that an immigrant's sponsor's income is "deemed" as available to the immigrant for the first three years after arrival, under SSI program rules.[2] During this period, an immigrant's eligibility is determined based on not only his own income, but that of his sponsor as well. In addition, an immigrant who becomes so welfare-dependent as to be classified as a "public charge" within the first five years of arrival may be legally deported. Two aspects of income deeming are worth noting. First, refugees are not subject to income deeming after arrival. Second, sponsorship documents in which the sponsor of an immigrant assumes financial responsibility are not legally enforceable. That is, the immigrant cannot sue the sponsor for the income support which is assumed by the welfare agency to be available to the immigrant. Thus, an immigrant whose sponsor's income makes him ineligible for welfare benefits is at risk of falling well below the poverty line.

Recent proposals in the Congress could dramatically alter immigrants' use of public assistance programs. The draft Personal Responsibility Act (House Resolution 4) is intended to curtail dramatically immigrants' eligibility for welfare. It would make immigrants ineligible with only three exceptions: naturalized citizens, legal immigrants over the age of 75 years who have been in the

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[1] The remaining 13 percent of 1992 admissions, after taking into account occupational preference, family sponsored, refugee, and IRCA admissions, were comprised of IRCA dependents, Amerasians, and others.

[2] In 1994, this deeming period was extended to five years, to revert back to three years in 1996.

U.S. for five years or more, and refugees within the first five years of arrival. Another version of the bill would exclude even naturalized citizens that don't fall into the other two exempt categories.

Previous Literature

Despite the heat of the debate over the economic costs of U.S. immigration policy, surprisingly few studies have aimed at describing the determinants of immigrants' use of the welfare system. Blau (1984) found that immigrant families use welfare payments more often and more intensively than native-born families, and that immigrants use welfare programs less than demographically similar natives. These findings are also seen in Tienda and Jensen (1986) and Jensen (1988).[3] Borjas and Trejo (1991) undertook the first analysis that disentangled years-since-immigration (assimilation) effects from cohort fixed effects, finding that immigrants actually *increase* their use of welfare benefits as they stay longer in the U.S. In subsequent work (Borjas and Trejo, 1993), they also showed that differences in welfare participation rates among immigrant groups defined by country of origin are strongly related to source-country characteristics such as national output and income inequality. Borjas (1995) documented the rise in immigrant participation in the welfare system between 1970 and 1990. Again, immigrants are found to assimilate *into* the welfare system; the exception is that immigrants from refugee-sending countries assimilate out of the welfare system as they stay in the U.S. longer. Borjas also found substantial changes in the unobserved component of different immigrant arrival cohorts' propensity to use welfare.[4] None of these studies specifically examined welfare use by the elderly, who are eligible for different programs (primarily SSI) than are the non-elderly (primarily AFDC). These studies *have* shown that households with

[3] Borjas and Trejo correctly note that the relevant question for policy purposes is not whether immigrants use welfare more or less than demographically similar natives. Their purpose, and my purpose, is to describe the consequences of current U.S. immigration policy for welfare program costs.

[4] The unobserved component is the cohort dummy variable in Borjas' analysis, which nets out observable factors such as age, education, and race.

members over the age of 65 are more likely to be on welfare.[5] Given the large differences in eligibility requirements and labor market prospects for the non-elderly and the elderly, a separate analysis of the determinants of welfare participation by the elderly is called for.

Data

The primary data used in this study are extracts from the 5 percent Public Use "A" Samples of the Census of Population and Housing from 1980 and 1990. Since SSI participation is calculated either for married couples or for unmarried individuals, the unit of analysis is an elderly couple[6] or individual. For both years, all immigrants are sampled and 1 in 10 natives is chosen. All statistics and regressions are weighted to population proportions. Members of the armed forces are excluded from the analysis. It is important to note that variables indicating an immigrant's year of arrival in the U.S., years since migration, and age at arrival are calculated based on a question that asks when the individual *came to stay* in the U.S. For immigrants from North and South America, this question may not accurately measure when the individual first came to the U.S. or how much time was actually spent in the U.S. because anecdotal evidence suggests many immigrants from nearby countries (particularly seasonal agricultural workers) go back and forth frequently. Furthermore, the answer to this question does not give the precise calendar year during which the individual came to the U.S. For instance, the 1990 Census had the possible responses: before 1950, 1950-59, 1960-64, 1965-69, 1970-74, 1975-79, 1980-81, 1982-84, 1985-86, and 1987-90. Year of arrival, years since

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[5] These studies have defined welfare participation as any member of the household receiving public assistance income. Thus, the precise statement of the finding with respect to aging is "households with more elderly members are more likely to have some household member on welfare."

[6] An elderly couple in this analysis is a couple in which either member is age 65 or older. While the Census data do not explicitly report which household members are married to whom, I infer the identity of couples based on reported relationships to the householder. This procedure identifies 95 percent of spouses for those who report being married. The remaining five percent are cases in which the individual is married with an absent spouse (a response not available in the Census questionnaire) and cases in which the relationship to the householder is not a direct one.

immigration, and age at arrival are calculated by assigning the mid-point of the time interval chosen by the respondent. For couples, these variables are defined by the responses for the husband.

Information on welfare participation is provided by a question that asks how much public assistance income an individual received in 1979 or 1989, including Aid to Families with Dependent Children, Supplemental Security Income, and general assistance. Unfortunately, the Census does not provide information on participation in two major welfare programs that provide in-kind benefits: Food Stamps and Medicaid. A couple is defined to be on welfare if either member reported welfare income. For the majority of couples in which one spouse received welfare income, the other spouse also received welfare income. Among the elderly, the vast majority of welfare benefits are SSI benefits. An analysis of data from the Survey of Income and Program Participation, which has information about the separate sources of public assistance income, shows that 80 percent of those who reported receiving means-tested government transfer payments were on SSI.

Descriptive Statistics

Table 2 shows the proportion of immigrants and natives receiving public assistance income and the average amounts of welfare payments received. Refugees compared to other immigrants and to natives have both higher rates of receiving welfare and higher average payments among recipients.[7] Taken together, these two facts mean that the average refugee received nearly 3 times as much in welfare payments as the average native.

A number of hypotheses can explain the gap between elderly natives and elderly immigrants:

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[7] I define an immigrant as a refugee according to cohort defined by country of birth and decade of arrival. If an immigrant's arrival cohort was composed of more than 50 percent refugees (according to INS statistics), then that immigrant is defined to be a refugee. See Appendix Table 1 for a summary of which countries are defined as refugee countries in which decades. This differs from the definition used by Borjas (1995), who assigns refugee status if the immigrant came from a country where more than 40 percent of arrivals during the 1980s were refugees. I have replicated the analysis using Borjas' definition, as well as using a country-decade of arrival definition with 30 percent refugee being the cutoff, and the results are nearly identical.

(i) immigrants are attracted to the U.S. by its generous welfare benefits for the elderly which are more generous than most countries' pension schemes, (ii) recent immigrants lack sufficient earnings histories to collect Social Security benefits and thus have incomes low enough to qualify for SSI, (iii) selective out-migration by successful immigrants leaves the poorer elderly immigrants in the U.S., and (iv) elderly immigrants may intend to rely on family sources of support, but these income sources don't prove to be adequate to make the elderly immigrants ineligible for SSI.

The first and the second hypotheses suggest that age at arrival may have a strong influence on welfare participation. First, immigrants who come to the U.S. intending to rely on SSI would be more likely to wait until near retirement age to move to the U.S. Second, immigrants who come to the U.S. after the age of 55 will typically not work the full ten years necessary to retire at age 65 and receive Social Security benefits. Table 3 examines welfare participation rates for the elderly, with the immigrant sample stratified by age at arrival. The difference between those who immigrated after prime working age (18-54) and those who came earlier is enormous: among the elderly non-refugee immigrants in 1990, those who came to the U.S. after the age of 55 are 20 percentage points more likely to be on welfare than those who immigrated at younger ages. What is perhaps more alarming for the future performance of immigrants is that between 1980 and 1990, the welfare participation gap between those who immigrated early v. those who immigrated later in life grew substantially. In addition, the fraction of immigrants in 1990 who had immigrated after age 55 was slightly higher than it was in 1980.

These three trends -- the large effect of age at arrival on welfare participation rates, the widening of this difference, and the increase in the share who migrate at older ages -- suggest that the family reunification-based immigration policy of the U.S. since 1965 places a burden on the welfare system, because it is unlikely that those who migrated after age 55 were admitted under occupational preference categories. These trends also suggest that immigrants may indeed be

attracted to immigrating to the U.S. by generous SSI benefits. Note, however, that these trends also hold for immigrants from refugee-sending countries; indeed, the trends are more extreme for these immigrants. If one accepts the premise that these refugees came to the U.S. for mainly non-economic reasons, then these trends are unlikely to be explained through immigrants' desire to come to the U.S. for welfare benefits.

One potential explanation for the large effect of age at arrival is simply that those who immigrate at older ages are less likely to have entered the U.S. under occupational preference categories and are thus less positively selected from the income distribution or "earnings ability" distribution in the country of origin. Another selection hypothesis that results in the same qualitative result is that immigrants who come late in life are likely to be those without pensions in their home countries--these "low ability" individuals are more likely to migrate to the U.S. because its generous welfare benefits increase the income differential between the U.S. and the home country. In either case, we would expect those less positively selected -- immigrants who come at older ages -- to be more likely to use public assistance, even if there is no difference in immigrants' *intent* to use the welfare system.

Methodology

Why do immigrants use welfare more than natives? At a basic level, it can be demonstrated that immigrants' lower educational attainment, greater racial/ethnic minority representation, and different age composition are sufficient to explain the difference. That is, a regression of welfare participation on age, race, education, and an immigrant dummy variable yields an immigrant coefficient that is negative--controlling for these factors that affect labor market performance, elderly immigrants have *lower* propensities to use welfare than elderly natives. This mirrors results for immigrants of all ages in the studies by Blau (1984) and Borjas and Trejo (1991). However, such

simple regressions are only so informative. In order to answer questions such as "did immigrants' use of welfare rise during the 1980s because existing immigrants aged into the welfare system or because newer immigrants have higher welfare propensities?" we should turn to a more comprehensive analysis that includes cohort and assimilation effects. An understanding of the assimilation process of immigrants is useful for the following reason: even if immigration policy selects immigrants based on favorable characteristics such as high educational attainment, such immigrants may not necessarily stay off the welfare rolls for their entire lifetime. On the other hand, immigrants who are poorly educated and start off poorly in the U.S. may assimilate quite rapidly out of the welfare system.

The base regression model to analyze these life-cycle considerations may be written as

$$W_{it} = X_{it}\beta + A_{it}\alpha + A_{it}^{M}\gamma + y_{it}\pi + C_{it}\theta + D_{it}^{1980}\delta + \epsilon_{it} \qquad (1)$$

where W indicates whether individual or couple i in year t is on welfare, X includes education, race, and English proficiency, A is age, A^M is age at migration, y is years since migration, C indicates the year of entry for immigrants, and D^{1980} is a dummy variable equalling one if the observation comes from the 1980 sample. Sample means for relevant variables are shown in Appendix Table 2.

Two identification problems arise, as noted in previous work (Borjas 1995 and Friedberg 1993). First, among immigrants, calendar year t, year of arrival c, and years since arrival y are related by the identity $t=c+y$. Identification of these three effects is achieved by assuming the same calendar year effect for immigrants and natives. This assumption is not innocuous in that macroeconomic factors need not affect immigrants and natives alike. In a study examining earnings profiles of immigrants, LaLonde and Topel (1992) find that changes in the native comparison group have little effect on the findings. In this study, this assumption is maintained, but is less important in regressions that are stratified by education group or by race/ethnicity.

The second identification issue stems from the fact that for immigrants, age at migration A^M

is related to current age A and years since arrival y by the identity $A=A^M+y$. Identification of the effects of these three variables is achieved by assuming a common quadratic age profile for natives and immigrants. (In a fully-interacted specification that identifies these effects by a non-linear function of age at migration, the restriction of common age effects is rejected, but the other coefficients are unchanged when the restriction is imposed.)

A flexible polynomial specification is used to capture the potentially non-monotonic, kinked effect of years since arrival.[8] The ranges over which these variables are defined are broad (0-5, 5-10, 10-20, 20-30, 30-40, and 40+ years) because the year-of-arrival variable takes on only a small number of different values, due to the categorical nature of the Census question. The specification is:

$$g(y) = \pi_1\left[\Phi\left(\frac{y-5}{\sigma_y}\right)-\Phi\left(\frac{y-10}{\sigma_y}\right)\right] + \pi_2\left[\Phi\left(\frac{y-10}{\sigma_y}\right)-\Phi\left(\frac{y-20}{\sigma_y}\right)\right] + \pi_3\left[\Phi\left(\frac{y-20}{\sigma_y}\right)-\Phi\left(\frac{y-30}{\sigma_y}\right)\right] + \pi_4\left[\Phi\left(\frac{y-30}{\sigma_y}\right)-\Phi\left(\frac{y-40}{\sigma_y}\right)\right] + \pi_5\left[\Phi\left(\frac{y-40}{\sigma_y}\right)\right] \quad (2)$$

where $\Phi(\bullet)$ denotes the cumulative standard normal distribution function, the range 0-5 years is the omitted reference category and σ_y is set to 2.0. This function is similar to a set of dummy variables for each range of the variable y, with smooth transitions between adjacent ranges. The regression results are not sensitive to the choice of σ_y.

In the specifications reported below, the effect of education is allowed to differ among the three groups: natives, non-refugee immigrants, and refugees. Education effects may be expected to differ across groups due to differences in school quality between the U.S. and foreign countries.[9]

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[8] This effect may be kinked or discontinuous because immigrants' sponsors' income is deemed for the first three years following arrival. I chose to smooth the transitions between adjacent ranges of the variable y simply to make the life-cycle graphs continuous.

[9] Unfortunately, the Census data do not indicate whether an immigrant was educated in the U.S. or abroad.

Finally, as discussed above, identification is achieved by restricting α and δ to be the same for all individuals; γ, π, and θ are allowed to differ between immigrant groups (refugees and non-refugees). For natives, the variables A^M, y, and C are set to zero.

Results

The first column of Table 4 reports the basic regression results. The assimilation profile, plotted in Figure 2, shows that there is a large jump in welfare participation after five years in the U.S. for both non-refugees and refugees.[10] It is likely that this effect is due to the 3-year income deeming period.[11] While this legal restriction does not apply to refugees, the same effect may show up in the regression because refugees are identified in this analysis by their country of origin and year of arrival, not by their true (unobserved) visa status. Beyond the first ten years in the U.S., non-refugee immigrants experience very little assimilation into or out of the welfare system. Immigrants from refugee countries, however, do experience a substantial decrease in welfare participation after ten years. Previous findings by Borjas and Trejo (1991) and Borjas (1995) show assimilation *into* welfare programs by non-refugees over a long time span. These results may be due to differences between the elderly and the non-elderly, selective out-migration[12], or collinearity of years in the U.S. with likelihood of being over 65 and hence demographically eligible for SSI.[13]

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[10] The coefficient of the variable "5-10 years in U.S." measures the assimilation relative to immigrants within the first five years of arrival, not relative to natives, since there are intercept terms for non-refugees and refugees.

[11] Ponce and Scott (1995) analyze the number of immigrant applications for SSI as a function of length of time since residency establishment. They find a sharp spike between months 36 and 47 -- one-fourth of immigrant applicants for SSI apply within a year after the end of the 3-year deeming period.

[12] If successful, less welfare-prone immigrants tend to leave the U.S., then the stock of immigrants who remain in the U.S. over time becomes more welfare-prone. The resulting positive effect of assimilation may be concentrated only among non-refugees because refugees are less likely to emigrate back to their origin countries.

[13] This previous work imposed the identification assumption of common age effects. As shown in Figure 1, the age-welfare profiles of natives and immigrants are very different, making this restriction less palatable for an analysis that includes both elderly and non-elderly.

The regression also shows that one of the biggest determinants of welfare participation by immigrants is age at arrival, as was true in the simple cross-tabulations. Age at arrival has a large and very kinked effect even after controlling for other observable determinants of welfare participation. Immigrants who come to the U.S. after the age of 55 are 5 to 13 percentage points more likely to be on welfare than those who come before age 35.

A likely explanation for the age-at-arrival effect is that immigrants who come after the age of 55 are unlikely to receive Social Security benefits after retirement and thus rely on SSI instead. A simple test of this hypothesis can be performed by adding the amount of Social Security payments to the base regression model. The effect of Social Security will be biased away from zero, since Social Security benefits are highly correlated with past work experience and hence also with accumulated private savings and current non-labor income. The results in column 2 of Table 4 show that controlling for Social Security benefits has little effect on the age-at-migration coefficients for either immigrant group, nor does Social Security change the assimilation profile. Thus, Social Security benefits are not the explanation for the large effect of migration after age 55. Another potential reason that migration after age 55 has a large effect is that late arrivers are less likely to have Medicare coverage. Such immigrants have an increased incentive to apply for SSI in order to get automatic coverage under Medicaid. The fact that adding Social Security payments (highly correlated with Medicare coverage) to the regressions doesn't change the results suggests that lack of Medicare coverage is not a major reason for the age-at-arrival effect.[14]

Immigrants tend to live in different states than natives. Roughly two-thirds of elderly immigrants live in six states -- California, New York, Florida, Texas, Illinois, and New Jersey. Given the substantial variation in state-level supplements to the federal SSI benefit standard, it is reasonable to suspect that residential choices of immigrants may be responsible for part of the

[14] Social Security payments enters in these regressions as a series of categorical dummy variables as in Appendix Table 2, so that having any positive payments can be interpreted as indicating Medicare coverage.

differences between immigrants' and natives' use of welfare. An immigrant who lives in a high-benefit state will be more likely to qualify for welfare benefits than a native with the same income who lives in a less generous state. Column 3 of Table 4 shows regression coefficients when regressors include the combined federal and state SSI monthly benefit standard in 1979 or 1989 for an elderly couple or individual, the state unemployment rate in 1979 or 1989, state fixed effects, and residence in a central city. Also included are a set of variables indicating marital status, number of adults in the household, number of children in the household, disability status of the head and spouse[15], and whether the elderly couple/individual resides in a household headed by someone else. When these variables are added, the coefficients of interest remain unchanged. These results, reported in Appendix Table 3, suggest that immigrants who arrive late in life do not tend to choose to live in higher-benefit states than the average elderly immigrant.[16,17]

Another trend that has been documented in previous immigration studies is the declining level of educational attainment among immigrants relative to natives. While successive immigrant cohorts have been better educated than earlier cohorts, the rate of improvement has not kept pace with improvements in the education of native-born individuals (see Appendix Table 2). This increasing education gap may be of concern because it will tend to increase immigrants' reliance on welfare programs relative to natives, and because the degree of life-cycle assimilation may differ across education groups. Assimilation may differ across education groups if, for example, college-educated

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[15] Disability is entered separately for 1980 and 1990 because rates of reported disability rose dramatically between the Censuses. This difference is probably due more to changes in respondents' interpretation rather than changes in true health status.

[16] Another explanation for these results is that late-arrivers *do* choose high-benefit states, but early-arrivers also move to high-benefit states before age 65.

[17] I also performed a regression including a large set of country-of-origin dummy variables. The main coefficients of interest were virtually identical. The only coefficients that changed were the cohort effects. The increasing tendency of more recent cohorts to use welfare (apparent in Appendix Table 4) was reversed when country-of-origin effects were included. Consistent with Borjas and Trejo's results, my results suggest that much of the rise in welfare recipiency can be attributed in this sense to shifting national origin over time.

immigrants have very good jobs when they arrive, while less educated immigrants suffer an initial labor market disadvantage due to lack of English proficiency. To examine this question, separate regressions by education groups were performed, using the same regressors as in column 3 of Table 4. The assimilation profiles plotted in Figure 3 show that even college-educated immigrants experience substantial early assimilation into welfare--well-educated immigrants do not stay out of welfare. The regressions also show that migration after the age of 55 has a large effect on welfare participation for *all* education groups (Table 5). This is somewhat surprising, because one would expect that college-educated immigrants who migrate at older ages typically have some savings and hence have a flatter age-at-migration effect. That this is not the case suggests that either (i) this small group of highly educated immigrants may be shielding their assets from welfare agencies in order to meet the asset limit for eligibility[18] or (ii) there is substantial heterogeneity among well-educated immigrants, so that late-arrivers are those with very low savings or low expected pensions in their home countries. Thus, although immigrants are becoming better educated, there remains a problem in selecting those immigrants with low propensities to use welfare. Even a policy of admitting only college-educated immigrants wouldn't prevent immigration by those who are attracted by the generosity of SSI. Indeed, the potential effects of selection based on education are not that large: estimated coefficients (Appendix Table 3) show that the difference in welfare participation for a college-educated immigrant *vis-a-vis* an immigrant with no high school education is only 6 percentage points (The comparable difference for natives is 10 percentage points.). This education effect is much smaller than the effect of age at arrival.

Much of the popular perception of immigrants centers on the fact that an increasing share of new immigrants come from Asia and Latin America. To some extent, these groups are perceived as low-skilled or welfare-prone groups. A further question that deserves attention is whether

[18] In 1994, elderly individuals with more than $2000 in assets and elderly couples with more than $3000 in assets were ineligible to receive SSI.

different immigrant groups are better able to assimilate in a way that reduces their reliance on welfare programs. Separate regressions[19] for immigrants from Europe, Latin America, and Asia show that the large age-at-arrival effect generally holds across continent-of-origin groups (see Table 6).[20] In these regressions, refugees and non-refugees were not distinguished except by different intercept terms, because identification of separate refugee effects was not possible given the definition of refugee status by country of birth and year of arrival. Figure 4 plots the assimilation profile of immigrants for each group, revealing large differences across groups. However, the flatness of the assimilation profile after the first ten to fifteen years holds across these major immigrant groups.

Welfare participation consists of two components--eligibility and takeup. Some of the results presented so far in this paper may be explained by effects on eligibility for welfare. For example, the jump in immigrants' participation after five years in the U.S. is most likely due to eligibility requirements (income deeming). A second issue which may explain much of the difference between natives and immigrants is the propensity to apply for and receive benefits conditional on being eligible for welfare. Immigrants may have higher average takeup rates because there is less stigma attached to receiving government benefits in some cultures. On the other hand, immigrants' use of welfare may be impeded by lack of familiarity with the relevant agencies and poor English-speaking ability.

In order to impute takeup rates, it is important to recognize that SSI imposes an asset limit for eligibility. An elderly couple is allowed to have $3000, and an individual is allowed to have $2000, excluding home equity and the value of an automobile up to $4500 in value. Since the Census data do not provide information regarding assets, it is useful to turn to another dataset to compare eligilibility measures when assets are included or ignored. The Survey of Income and

[19] These regressions use the same set of covariates as in column 3 of Table 4.

[20] The native group in each regression is *all* natives, not natives of specific ancestry.

Program Participation (SIPP) provides data on income, assets, and place of birth; it also asks respondents whether they received specifically SSI on a monthly basis. Table 7 shows imputed SSI eligibility and takeup rates for the elderly based on the 1990 panel of the SIPP. These data correspond to asset holdings and SSI participation in the months of December 1990 through March 1991. For each respondent couple or individual, eligibility is determined using the benefit level in the state of residence as of January 1991. When the asset limit is applied, the SSI takeup rate is about 55 percent, which matches takeup rates calculated by Menefee *et al.* (1981) and McGarry (1995). When the asset limit is ignored, the implied takeup rate falls to about 40 percent.[21] With either measure, there is no meaningful difference between takeup rates for natives and immigrants.

The lower part of Table 7 shows imputed eligibility and takeup rates for the 1980 and 1990 Census samples. In these samples, eligibility is imputed based on annual income aggregates and the asset limit cannot be applied. The imputed eligibility rates are much higher than in the SIPP sample probably because annual income is used; the comparison within the SIPP sample implies that missing information on assets doesn't change eligibility as much as would be needed to explain the SIPP-Census discrepancy. Other sources of discrepancy include differences in population coverage, especially among immigrants, and the fact that the SIPP excludes the six percent of elderly who are institutionalized.[22] The estimated higher takeup rate among immigrants in 1990 according to the Census data is probably not accurate, given the SIPP data show no difference.

Do immigrants' takeup rates change with the amount of time spent in the U.S. (due to increasing knowledge of the welfare system or labor market assimilation) or with age at arrival (due to correlation with reasons for immigration)? Unfortunately, the SIPP sample is too small to

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[21] It is worth noting that the SIPP estimates overstate eligibility for immigrants subject to income deeming, illegal aliens, and IRCA-legalized aliens subject to the ban on welfare eligibility in the first five years.

[22] An analysis of the 1990 Census sample shows that those who are institutionalized do not have different welfare participation rates from the non-institutionalized. Their imputed eligibility rates are much higher, but not enough to account for the SIPP-Census discrepancy.

disentangle assimilation, age-at-arrival, cohort, and time effects: the 1990 panel yields only 307 elderly immigrant couples or individuals and thus only a few dozen immigrant welfare recipients. For this kind of analysis, we are limited to the Census data which as shown above yield imperfect measures of eligibility. This flaw notwithstanding, some exploration may yield useful insight. A convenient way to disentangle effects on eligibility v. effects on takeup behavior is to perform two regressions of the sort described in equation 1: the first regression with eligibility for SSI as the dependent variable, and the second with takeup as the dependent variable. Table 8 shows these results, using the same covariates as in the first column of Table 4, and with the takeup regression using only those observations imputed to be eligible in either 1980 or 1990. The assimilation profiles suggest that the likelihood of meeting the income limit for eligibility doesn't change significantly as a non-refugee immigrant stays longer in the U.S., but that substantial assimilation out of welfare eligibility does take place for refugees. The jump in takeup rates after the first five years in the U.S. is most likely due to the end of income deeming. The effects of age at arrival show that having arrived after age 55 has large effects on both eligibility and takeup. Thus, immigrants who come late in life have higher welfare participation rates both because they have lower incomes and because they have a higher propensity to apply for benefits if eligible. Appendix Table 4 shows in addition that more recent immigrant arrivals have a significantly higher likelihood of being eligible for SSI. The cohort trend for *takeup* of welfare only appears strongly among refugees.

It is natural to ask whether these takeup patterns might be explained by unobserved differences in savings levels. Immigrants who have been in the U.S. longer or came at younger ages probably have higher savings and are hence less likely to be eligible for SSI based on the asset test. This would imply that imputed takeup rates (not controlling for assets) would fall with years in the U.S. or rise with age at arrival (because imputed eligibility would be overstated for those in the U.S. for many years or who came at young ages). Instead, we see (i) takeup rates basically constant after

the first five years in the U.S. and (ii) takeup rates rising with age at arrival discontinuously after age 55. Thus, while differences in asset accumulation among immigrants are probably substantial even after controlling for annual income, it is unlikely that they can explain fully the effects demonstrated in this paper.

Discussion

Welfare participation rates among elderly immigrants rose from 12.6 percent in 1980 to 15.3 percent in 1990, while elderly natives' welfare participation rates fell. Was this rise due to less successful selection of immigrants or assimilation into welfare by immigrants who were here as of 1980? A straightforward way to decompose the change in welfare participation rates over time is to use the estimated regression coefficients to calculated predicted participation rates. In Table 9, each row corresponds to the change in welfare participation accounted for by changes in that characteristic between 1980 and 1990. For instance, the row labeled "age" is the difference in predicted welfare participation using the 1990 age composition and the predicted participation rates using the 1980 age composition. The coefficients from the regression summarized in the first column of Table 4 are used for these calculations. Factors that tended to increase immigrant welfare participation include greater years since arrival, an increasing fraction who came after age 55, (unobserved) cohort "quality" changes, a decreasing proportion who are non-Hispanic white, and declining English fluency. Mitigating factors were the improving educational attainment of immigrants and the overall period effect. What about elderly immigrants who arrived prior to the 1980s? The second pair of columns decomposes welfare participation changes into its various components for (i) natives who were elderly by 1980 and (ii) immigrants who were both elderly and in the U.S. by 1980. Assimilation was the biggest factor increasing welfare participation for this

group of immigrants.[23] The actual change in welfare participation was one-third of the increase for all immigrants, so most of the increase was due to 55-64 year old immigrants in 1980 becoming elderly by 1990 and thus becoming eligible for SSI, or due to new elderly immigrants arriving during the 1980s. The group of 55-64 year old immigrants in 1980 had a welfare participation rate of 13.5 percent in 1990 -- almost the same as for older immigrants who entered before 1980. In contrast, immigrants who entered in the 1980s and were elderly in 1990 had a welfare participation rate of 30.8 percent. Thus, it is clear that new arrivals during the 1980s were responsible for the bulk of the increase in overall welfare participation rates.

Immigrants represented 11 percent of the elderly U.S. population in 1990 but accounted for 16 percent of the welfare recipient population (Table 10). What should be noted is that some of the large effects on welfare participation probabilities documented in the regression analysis don't necessarily add up to much in terms of overall welfare expenditures. Much discussion in this paper has been devoted to the effect of age at migration on welfare participation rates. Whereas immigrants who immigrated after age 55 are up to 15 percentage points more likely than immigrants who came at younger ages to be on welfare once they become elderly, this group is still small. The vast majority of immigrants come before or during the "prime" working years of 25-55; only 19 percent of elderly immigrants came to the U.S. after age 55. Thus, as shown in Table 10, immigrants who migrated after age 55 account for just 4.5 percent of the overall U.S. elderly welfare caseload and 5.6 percent of overall cash welfare expenditures for the elderly. What is still true, however, is that among immigrants, those who immigrated later in life represent a large portion of the welfare burden of immigrants: 32 percent of welfare benefits received by elderly immigrants went to this group which is only 19 percent of all elderly immigrants.

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[23] In principle, the rows corresponding to age at arrival, year of entry, and race should be zero; in practice, there is sampling error, respondents may change their answers between Censuses, and the Census' ability to enumerate immigrants changed between 1980 and 1990.

A different way to view these numbers is to ask how much welfare expenditures would be reduced if certain groups were barred from either immigrating or from receiving welfare. For instance, if no immigrants had been allowed into the U.S. after the age of 55, total welfare payments to the elderly in 1989 would have been six percent less. In the extreme, if all immigrants (including naturalized citizens) were ineligible for welfare, total payments would have been 18 percent lower. The reader should be cautioned, however, that these effects are partial-equilibrium effects. The effects of a policy that excluded immigrants after the age of 55 would have some effect on younger adults' decisions to immigrate or to stay in the U.S. after immigration. If one were able to carefully account for the net contribution of these younger immigrants, it may be the case that deterring migration (by limiting family reunification) would have net negative effects on the government budget or the economy.[24]

The proposed Personal Responsibility Act debated in Congress would make 15 percent of all elderly immigrants ineligible for welfare, and 23 percent of immigrant elderly welfare recipients would be made ineligible. Those that would become ineligible accounted for four percent of elderly welfare benefit payments in 1989. The fraction of immigrants who would become ineligible may strike some as surprisingly low, but one should note that about three-quarters of elderly immigrants are naturalized citizens and thus would remain eligible. Nevertheless, a reduction in total U.S. welfare benefit payments of four percent is sizeable. This is probably an overestimate of the likely effects of the Personal Responsibility Act, because more immigrants would seek to become citizens given the change in incentives. (Indeed, there has been a recent surge in citizenship applications due to concerns about legislation such as California's Proposition 187 that limit non-citizens' access to services. See *The New York Times* Aug. 11, 1995.) In addition, banning immigrants from SSI, a

[24] This possibility gains credibility when one notes that the household members of those who migrate after 55 have higher average incomes than those who migrate earlier in life (see an earlier unpublished version of this paper). Another reason to think that family reunification is a net economic benefit is that older non-working family members are often an inexpensive form of child care.

federal program, is unlikely to leave state general assistance (GA) caseloads unchanged. SSI has more generous eligibility requirements than most GA programs, so that some immigrants that would leave the SSI rolls would not have incomes low enough to qualify for GA. It may perhaps seem natural to expect some states -- particularly border states with large numbers of immigrants -- to respond to a law such as the Personal Responsibility Act by making the same immigrants ineligible for state-run programs. However, states are prohibited from barring access to programs based on immigrant status (Supreme Court case Graham v. Richardson, 1971). In essence, the proposed federal legislation is a way of reducing the combined state and federal burden of immigrants on welfare while shifting some of the remaining burden to the states.

Conclusions

This paper has provided insight into several aspects of elderly immigrants' use of welfare programs. Those who immigrated to the U.S. after prime working years are especially more likely to end up on the welfare rolls. This pattern is not simply a proxy for previous labor market performance, because the receipt of Social Security benefits does not explain the effect of age at arrival. This paper's results suggest that immigrants who come to the U.S. late in life have higher takeup rates once they are eligible, possibly because they were attracted to the U.S. by its generous welfare benefits for the elderly. Moreover, the difference between early-arrivers and late-arrivers holds across all groups defined by educational attainment or continent of origin. This suggests that a more successful immigration policy (in terms of reducing welfare participation by immigrants) may be attained by limiting immigration by the elderly or near-elderly (by reducing the number of entrances based on family reunification). Simply choosing college-educated immigrants would not exclude immigrants who migrate with the intention of relying on the welfare system.

This paper's findings regarding the assimilation profile of immigrants implies that eligibility

requirements in the form of income deeming have great importance, and that most immigrants do not assimilate significantly into or out of the welfare system after the first ten years in the U.S. The fact that SSI eligibility does not seem to vary significantly with years in the U.S. suggests that immigrants' chances of being on the welfare rolls after retirement age do not depend on labor market performance as much as one would expect.[25] The cause of the rise of immigrants' participation in welfare during the 1980s was primarily the higher participation rates of those who immigrated during the 1980s; immigrants who entered before 1980 experienced little change in their propensity to be on welfare.

Current proposals to limit immigrants' access to welfare benefits would have moderately sized effects on overall welfare participation. Since three-fourths of elderly immigrants are citizens, only a small fraction of elderly immigrants would be made ineligible under the Personal Responsibility Act. The Act would revoke eligibility for 15 percent of elderly immigrants and 23 percent of elderly immigrant welfare recipients, resulting in a potential reduction in elderly welfare caseloads of 4 percent. These potential reductions in welfare caseloads would be counterbalanced by increased naturalization rates and increasing caseloads in state general assistance programs. Current proposals do not address the problem that a minority of immigrants may be attracted by the welfare system, while most immigrants come to the U.S. in order to find jobs. In the short term, immigrant welfare participation is likely to rise relative to 1990 levels, as IRCA-legalized aliens become eligible for welfare benefits. In the longer term, if family reunification remains the largest category of immigration, there is little reason to expect a reversal of the upward trend in immigrants' use of welfare.

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[25] This statement applies *within* groups defined by education and race. Clearly, labor market success differs across these groups and will affect any individual immigrant's likelihood of SSI participation.

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Figure 1

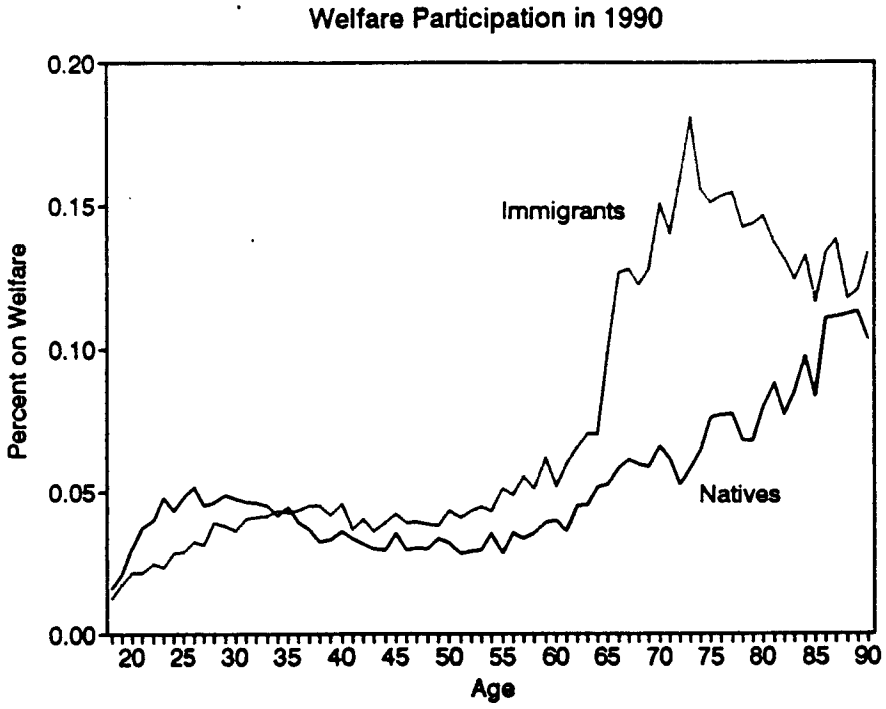

Welfare Participation in 1990
Percent on Welfare
0.20
0.15
0.10
0.05
0.00
Immigrants
Natives
20 25 30 35 40 45 50 55 60 65 70 75 80 85 90
Age

Figure 2

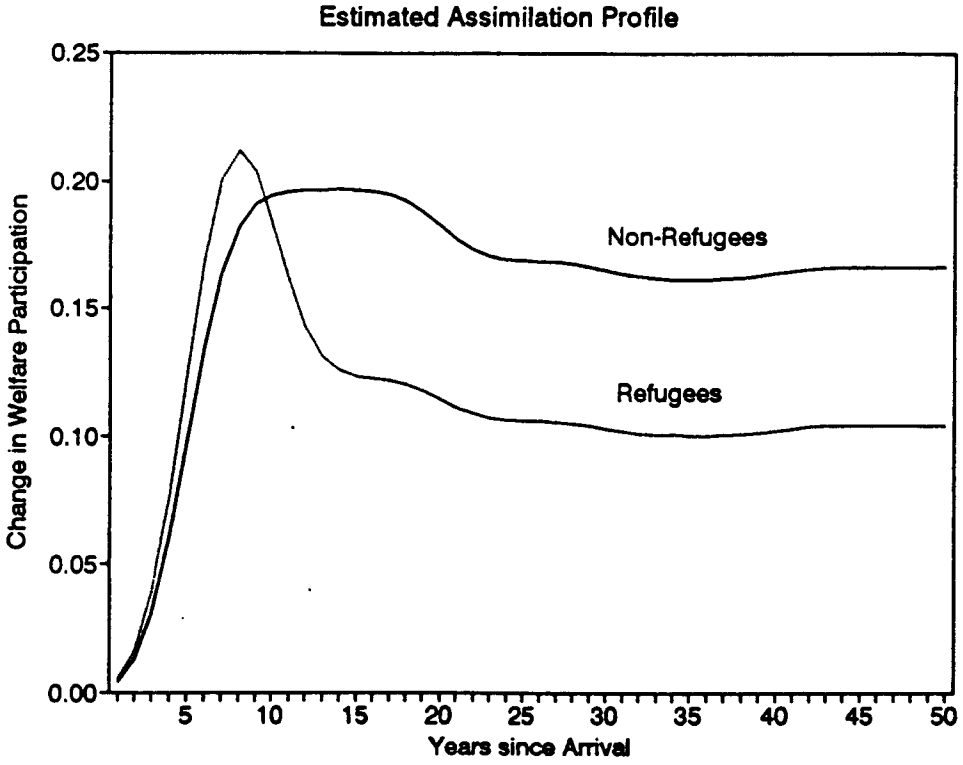
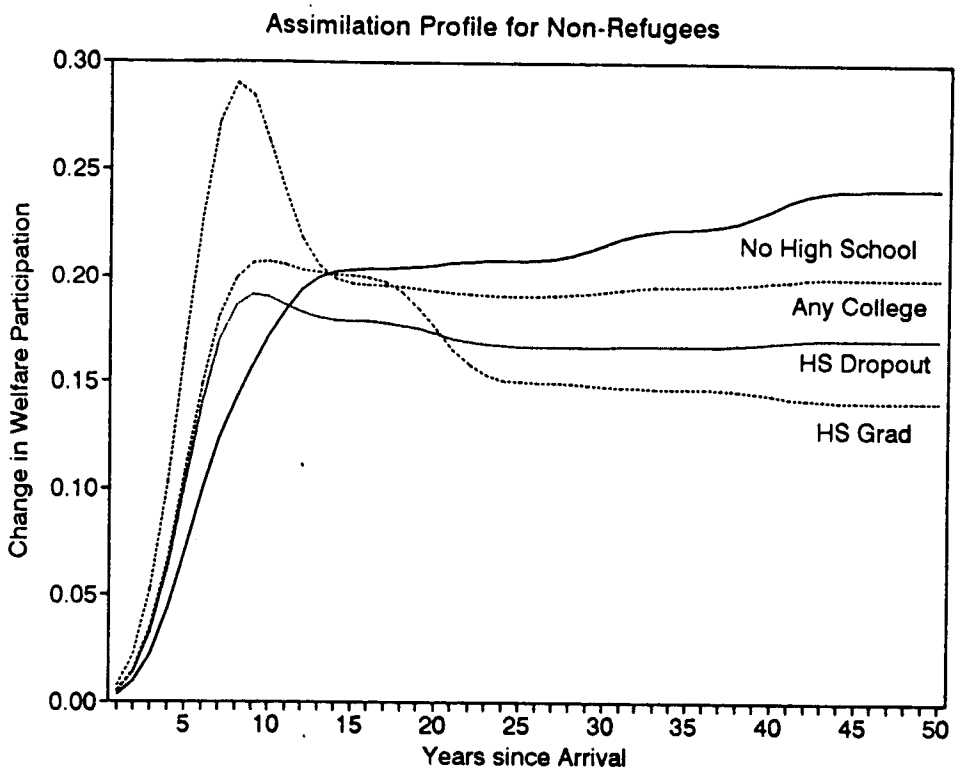

Estimated Assimilation Profile
Change in Welfare Participation
0.25
0.20
0.15
0.10
0.05
0.00
Non-Refugees
Refugees
5
10
15
20
25
30
35
40
45
50
Years since Arrival

Figure 3


Assimilation Profile for Non-Refugees
Change in Welfare Participation
0.30
0.25
0.20
0.15
0.10
0.05
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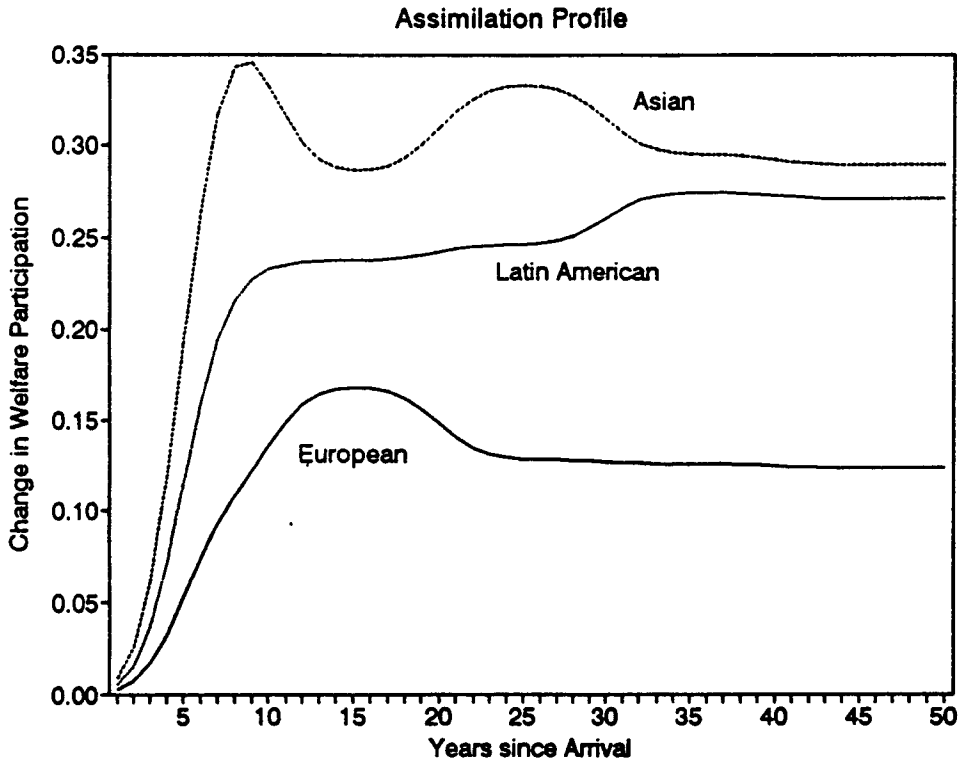
20
25
30
35
40
45
50
Years since Arrival
No High School
Any College
HS Dropout
HS Grad

Figure 4


Assimilation Profile
Change in Welfare Participation
0.35
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25
30
35
40
45
50
Years since Arrival
Asian
Latin American
European

Table 1
Welfare Participation Rates by Age

	1980	1990
Non-Elderly		
Natives	3.8%	3.8%
Immigrants	3.1	3.9
Elderly		
Natives	8.8	6.9
Immigrants	10.7	13.6

Note: Table reports the percentage of individuals reporting having received any public assistance income in the prevous year.

Table 2
Percentage of Elderly Couples/Individuals on Welfare and Average Benefits Received

	1980			1990		
	# of obs.	% on welfare	Avg. Benefits	# of obs.	% on welfare	Avg. Benefits
Natives	83,131	10.7%	$3325	118,642	8.6	3716
Immigrants	117,152	12.6	3873	114,457	15.3	4319
Non-Refugee Immigrants	104,462	12.7	3850	100,972	14.9	4182
Refugees	12,690	11.8	4078	13,485	18.4	5144

Note: Average benefits are the average received among those who received any benefits. Dollar amounts are in constant 1989 dollars.

Table 3
Welfare Participation among the Elderly, by Age at Arrival

	% who Migrated after Age 55	% on Welfare	
		Migrated before 55	Migrated after 55
1980:			
Non-refugee Immigrants	17.4	10.4	24.0
Refugees	17.7	7.0	34.5
1990:			
Non-refugee Immigrants	17.4	11.3	32.2
Refugees	26.3	7.3	49.4

Table 4
Determinants of Welfare Participation by Elderly Immigrants

	(1)	(2)	(3)
Non-Refugees:			
5 to 10 years in U.S.	0.1946	0.1843	0.1781
	0.0253	0.0246	0.0244
10 to 20 years in U.S.	0.1965	0.1934	0.1930
	0.0141	0.0138	0.0137
20 to 30 years in U.S.	0.1688	0.1685	0.1733
	0.0162	0.0158	0.0156
30 to 40 years in U.S.	0.1616	0.1624	0.1738
	0.0160	0.0156	0.0155
40 + years in U.S.	0.1665	0.1694	0.1784
	0.0166	0.0162	0.0161
Arrived at age 35 to 44	-0.0062	0.0022	0.0022
	0.0041	0.0040	0.0039
Arrived at age 45 to 54	-0.0058	0.0014	0.0054
	0.0049	0.0048	0.0048
Arrived at age 55 to 64	0.0564	0.0581	0.0666
	0.0074	0.0073	0.0072
Arrived after age 65	0.1266	0.1282	0.1364
	0.0106	0.0104	0.0103
Refugees:			
5 to 10 years in U.S.	0.2482	0.2399	0.2300
	0.0677	0.0659	0.0654
10 to 20 years in U.S.	0.1229	0.1221	0.1190
	0.0467	0.0455	0.0451
20 to 30 years in U.S.	0.1058	0.1299	0.1256
	0.0807	0.0786	0.0779
30 to 40 years in U.S.	0.1003	0.1306	0.1312
	0.0820	0.0799	0.0792
40 + years in U.S.	0.1044	0.1416	0.1386
	0.0834	0.0813	0.0806
Arrived at age 35 to 44	-0.0096	0.0015	-0.0015
	0.0119	0.0116	0.0115
Arrived at age 45 to 54	-0.0138	-0.0014	-0.0007
	0.0137	0.0133	0.0132
Arrived at age 55 to 64	0.0511	0.0616	0.0646
	0.0202	0.0197	0.0195
Arrived after age 65	0.1088	0.1146	0.1196
	0.0269	0.0262	0.0260
Number of observations	433,382	433,382	433,382

Notes: Standard errors are in small font. See text for description of other regressors.

Table 5
Regressions by Education Group

	No H.S.	H.S. Dropout	H.S. Grad.	Any College
Non-Refugees:				
5 to 10 years in U.S.	0.1407	0.2030	0.2156	0.3345
	0.0381	0.0742	0.0417	0.0551
10 to 20 years in U.S.	0.2035	0.1783	0.2005	0.1956
	0.0222	0.0407	0.0226	0.0282
20 to 30 years in U.S.	0.2077	0.1666	0.1495	0.1905
	0.0260	0.0469	0.0252	0.0326
30 to 40 years in U.S.	0.2228	0.1670	0.1470	0.1955
	0.0269	0.0462	0.0244	0.0308
40 + years in U.S.	0.2415	0.1707	0.1411	0.1999
	0.0280	0.0473	0.0252	0.0324
Arrived at age 35 to 44	0.0056	0.0017	-0.0012	0.0056
	0.0068	0.0098	0.0060	0.0096
Arrived at age 45 to 54	0.0056	0.0053	0.0119	0.0140
	0.0076	0.0130	0.0078	0.0128
Arrived at age 55 to 64	0.0589	0.0758	0.0790	0.0896
	0.0109	0.0213	0.0124	0.0194
Arrived after age 65	0.1330	0.1383	0.1244	0.2055
	0.0157	0.0302	0.0177	0.0248
Refugees:				
5 to 10 years in U.S.	0.2483	0.2481	0.1160	0.2241
	0.0924	0.2171	0.1308	0.1744
10 to 20 years in U.S.	0.1590	0.2142	-0.0237	0.0248
	0.0630	0.1440	0.0899	0.1278
20 to 30 years in U.S.	0.2009	0.1794	-0.0400	0.0650
	0.1287	0.2560	0.1311	0.1719
30 to 40 years in U.S.	0.2296	0.1746	-0.0372	0.0527
	0.1307	0.2603	0.1331	0.1747
40 + years in U.S.	0.2472	0.1886	-0.0361	0.0515
	0.1327	0.2633	0.1352	0.1779
Arrived at age 35 to 44	-0.0079	-0.0032	-0.0035	0.0115
	0.0204	0.0303	0.0173	0.0239
Arrived at age 45 to 54	-0.0065	-0.0150	0.0093	0.0174
	0.0215	0.0400	0.0221	0.0311
Arrived at age 55 to 64	0.0459	0.1335	0.0667	0.1102
	0.0294	0.0652	0.0356	0.0466
Arrived after age 65	0.0861	0.1169	0.2005	0.2038
	0.0383	0.0812	0.0482	0.0668
Number of observations	183,887	73,470	136,079	39,946

Notes: Standard errors are in small font. See text for description of regressors.

Table 6
Regressions by Continent of Origin

	Europe	Latin America	Asia
All Immigrants:			
5 to 10 years in U.S.	0.1048	0.2298	0.3840
	0.0526	0.0490	0.0602
10 to 20 years in U.S.	0.1685	0.2377	0.2858
	0.0288	0.0325	0.0309
20 to 30 years in U.S.	0.1284	0.2463	0.3330
	0.0306	0.0375	0.0510
30 to 40 years in U.S.	0.1261	0.2749	0.2954
	0.0302	0.0400	0.0533
40 + years in U.S.	0.1238	0.2709	0.2893
	0.0307	0.0425	0.0565
Arrived at age 35 to 44	0.0025	0.0431	0.0228
	0.0052	0.0137	0.0218
Arrived at age 45 to 54	0.0049	0.0885	0.0536
	0.0061	0.0169	0.0270
Arrived at age 55 to 64	0.0386	0.2011	0.1980
	0.0098	0.0212	0.0345
Arrived after age 65	0.1276	0.2620	0.2642
	0.0195	0.0252	0.0372
Number of observations	335,666	239,600	222,476

Notes: Standard errors are in small font. See text for description of other regressors.

Table 7
Imputed SSI Eligibility and Takeup

	Data Source	Natives	Immigrants
Eligible w/ Asset Test	SIPP 1990	8.1	11.6
Takeup w/ Asset Test		55.5	57.1
Eligible w/o Asset Test	SIPP 1990	11.1%	18.7%
Takeup w/o Asset Test		41.8	40.6
Eligible w/o Asset Test	Census 1980	27.6	36.3
Takeup w/o Asset Test		29.4	28.8
Eligible w/o Asset Test	Census 1990	21.0	38.2
Takeup w/o Asset Test		29.1	35.0

Table 8
Determinants of SSI Eligibility v. Takeup

	Eligibility	Takeup
Non-Refugees:		
5 to 10 years in U.S.	0.0370	0.2430
	0.0354	0.0435
10 to 20 years in U.S.	0.0299	0.2631
	0.0198	0.0245
20 to 30 years in U.S.	0.0254	0.2636
	0.0227	0.0312
30 to 40 years in U.S.	0.0189	0.2854
	0.0225	0.0344
40 + years in U.S.	0.0133	0.3058
	0.0233	0.0366
Arrived at age 35 to 44	-0.0330	0.0128
	0.0057	0.0112
Arrived at age 45 to 54	-0.0101	0.0157
	0.0069	0.0124
Arrived at age 55 to 64	0.0632	0.0922
	0.0104	0.0159
Arrived after age 65	0.0592	0.1712
	0.0149	0.0201
Refugees:		
5 to 10 years in U.S.	0.0286	0.2340
	0.0948	0.1080
10 to 20 years in U.S.	-0.0518	0.2061
	0.0654	0.0704
20 to 30 years in U.S.	-0.1697	0.2000
	0.1131	0.1719
30 to 40 years in U.S.	-0.1814	0.1977
	0.1149	0.1777
40 + years in U.S.	-0.2134	0.2438
	0.1169	0.1831
Arrived at age 35 to 44	-0.0224	0.0036
	0.0167	0.0414
Arrived at age 45 to 54	-0.0049	0.0202
	0.0191	0.0425
Arrived at age 55 to 64	0.0639	0.1100
	0.0283	0.0505
Arrived after age 65	0.0963	0.1304
	0.0377	0.0571
Number of observations	433,382	133,428

Notes: Standard errors are in small font. See text for list of regressors.

Table 9
Decomposition of 1980 to 1990 Change in Welfare Participation

	All Elderly		Elderly and in U.S. by 1980	
	Natives	Immigrants	Natives	Immigrants
Actual Change	-2.14	2.72	-1.18	0.89
Time effect	-0.67	-0.67	-0.67	-0.67
Age	0.05	-0.02	0.67	0.53
Age at arrival		0.34		-0.47
Years since arrival		0.37		0.94
Year of entry		1.20		0.14
Education	-1.35	-0.47	-0.68	-0.25
Race	-0.11	0.78	-0.23	-0.18
Language ability	-0.01	0.73	0.00	0.04
Observable Factors:	-1.42	2.94	-0.24	0.74

Note: Estimates based on regressions reported in Table 3, column 1. Numbers in columns are percentage point changes.

Table 10
Composition of Welfare Population in 1990

	% of welfare recipients	% of welfare benefits	% of population
Immigrant	15.8	17.6	10.9
Migrated after age 55	4.5	5.6	1.9
Ineligible under proposed law	3.7	4.2	1.3
Among immigrants:			
Migrated after age 55	28.6	32.0	18.5
Ineligible under proposed law	23.4	24.0	14.5

Appendix Table 1
Refugee-Sending Countries

	pre 1950	1950-59	1960-69	1970-79	1980-89
Afghanistan					X
Albania		X	X	X	X
Bulgaria		X	X	X	
Cambodia					X
Cuba				X	X
Czechoslovakia		X			X
Estonia	X	X			
Ethiopia					X
Greece		X			
Hungary		X			
Indonesia		X	X		
Laos				X	X
Latvia	X	X			
Lithuania	X	X			
Poland	X	X			
Romania		X	X		X
Soviet Union		X			X
Vietnam				X	X
Yugoslavia		X	X		

Note: Pre-1950 refugee status defined according to number of refugees during 1946-50.

Appendix Table 2
Sample Means for Regression Variables

	1980		1990	
	Native	Immigrant	Native	Immigrant
Age	73.8	76.3	74.4	76.2
No high school	0.434	0.572	0.263	0.422
High school dropout	0.181	0.114	0.212	0.179
High school graduate	0.298	0.245	0.411	0.300
Any college education	0.088	0.069	0.115	0.099
Black	0.095	0.022	0.093	0.039
Hispanic	0.016	0.125	0.006	0.148
Asian/Pacific Islander	0.003	0.054	0.004	0.109
Speaks English poorly	0.008	0.190	0.008	0.257
Social Security income = 0	0.167	0.213	0.137	0.271
0 < Social Security≤2500	0.062	0.047	0.053	0.044
2500 < Social Security≤5000	0.213	0.184	0.177	0.156
5000 < Social Security≤7500	0.275	0.287	0.258	0.244
7500 < Social Security≤10000	0.135	0.127	0.156	0.123
10000 < Social Security	0.147	0.142	0.218	0.160
Arrived before age 35		0.127		0.340
Arrived at age 35 to 44		0.393		0.319
Arrived at age 45 to 54		0.306		0.156
Arrived at age 55 to 64		0.111		0.101
Arrived after age 65		0.063		0.084
Arrived before 1950		0.784		0.555
Arrived 1950-1959		0.077		0.140
Arrived 1960-1964		0.029		0.056
Arrived 1965-1969		0.034		0.052
Arrived 1970-1974		0.027		0.044
Arrived 1975-1979		0.037		0.047
Arrived 1980-1984		--		0.051
Arrived 1985-1989		--		0.055
European		0.660		0.490
Latin American		0.124		0.201
Asian		0.062		0.115
Refugee		0.108		0.119
Number of observations	83,131	117,152	118,642	114,457

Appendix Table 3
Regression Coefficients for Model (3), Table 4

Intercept	0.2990	Poor English	0.0855	2500 < SS ≤ 5000	-0.0754
	0.0043		0.0031		0.0015
Non-refugee	-0.2169	Non-refugees:		5000 < SS ≤ 7500	-0.1715
	0.0174	Arrived 1950-1959	0.0036		0.0014
Refugee	-0.1912		0.0063	7500 < SS ≤ 10000	-0.1774
	0.0376	Arrived 1960-1964	0.0134		0.0016
(Age-75) / 100	0.1197		0.0116	10000 < SS	-0.1770
	0.0070	Arrived 1965-1969	0.0127		0.0017
$(Age-75)^2$ / 100	-0.0159		0.0125	Disabled, 1980	-0.0032
	0.0007	Arrived 1970-1974	0.0149		0.0142
Natives' education:			0.0157	Disabled spouse	-0.0198
High school dropout	-0.0443	Arrived 1975-1979	0.0334	1980	0.0165
	0.0013		0.0138	Disabled, 1990	0.0462
High school graduate	-0.0728	Arrived 1980-1984	0.0075		0.0013
	0.0012		0.0212	Disabled spouse,	0.0160
Any college	-0.0966	Arrived 1985-1989	-0.0372	1990	0.0023
	0.0017		0.0158	Single female	0.0654
Non-refugees' education:		Refugees:			0.0023
High school dropout	-0.0205	Arrived 1950-1959	0.0002	Single male	0.0303
	0.0045		0.0116		0.0023
High school graduate	-0.0395	Arrived 1960-1964	-0.0052	Widow	-0.0440
	0.0036		0.0189		0.0018
Any college	-0.0581	Arrived 1965-1969	0.0511	Never married	-0.0278
	0.0058		0.0208		0.0023
Refugees' education:		Arrived 1970-1974	0.0360	Married, spouse	-0.0691
High school dropout	-0.0134		0.0276	absent	0.0031
	0.0085	Arrived 1975-1979	0.1308	Not own household	-0.0473
High school graduate	-0.0221		0.0272		0.0014
	0.0069	Arrived 1980-1984	0.0717	Number of kids	0.0201
Any college	-0.0424		0.0362		0.0010
	0.0100	Arrived 1985-1989	0.0747	Number of adults	0.0063
Black	0.0951		0.0358		0.0006
	0.0016	Year = 1980	0.0153	SSI benefit level	-0.0491
Hispanic	0.0729		0.0015	$\div 10^5$	0.0130
	0.0032	0 < SS ≤ 2500	-0.0576	State unemployment	-0.0026
Asian/Pacific Islander	0.0466		0.0021	rate	0.0006
	0.0047				

Note: Standard errors in small font. Regression also includes dummy variables for state of residence, not shown. "SS" stands for annual Social Security income in 1989 dollars.

Appendix Table 4
Immigrant Cohort Effects on SSI Eligibility and Takeup

	Eligibility	Takeup
Non-refugee Immigrants:		
Arrived 1950-1959	0.0403	0.0417
	0.0091	0.0163
Arrived 1960-1964	0.0686	0.0642
	0.0156	0.0253
Arrived 1965-1969	0.1124	0.0793
	0.0169	0.0265
Arrived 1970-1974	0.2131	0.0365
	0.0214	0.0312
Arrived 1975-1979	0.3154	0.0797
	0.0185	0.0290
Arrived 1980-1984	0.3208	0.0079
	0.0295	0.0390
Arrived 1985-1989	0.3829	-0.0353
	0.0219	0.0332
Refugees:		
Arrived 1950-1959	-0.0258	0.0134
	0.0177	0.0400
Arrived 1960-1964	0.0469	0.0167
	0.0622	0.1196
Arrived 1965-1969	-0.0291	0.0045
	0.0703	0.1407
Arrived 1970-1974	0.0075	0.1943
	0.0841	0.1429
Arrived 1975-1979	0.1516	0.2103
	0.0979	0.1631
Arrived 1980-1984	0.1385	0.1868
	0.0928	0.1508
Arrived 1985-1989	0.2132	0.1919
	0.1102	0.1719

Note: Standard errors in small font. Cohort effects are relative to immigrants who arrived prior to 1950.