

Illinois Immigrant Policy Project  
c/o Latino Institute  
14 East Jackson Boulevard  
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# Illinois Immigrants



Taxes Paid

Services Used

June 1997  
Illinois Immigrant Policy Project

A joint project of the Jewish Federation of Metropolitan Chicago  
and the Latino Institute

## How Many Immigrants Come to Illinois?

### Average Annual Immigrant Arrivals 1990-1994

California	444,193
New York	164,531
Texas	117,161
Florida	78,663
<b>Illinois</b>	<b>57,984</b>

Source: Statistical Yearbook of the U.S. Immigration and Naturalization Service, 1991-1995 editions

Note: Includes refugee and asylee adjustments

## Where Do They Live?



Source: 1990

Total Foreign Born: 952,272

The Illinois Immigrant Policy Project (IIPP) is a joint project of the Jewish Federation of Metropolitan Chicago and the Latino Institute. The IIPP is distributing this publication to provide Illinois policy makers with important information on the tax contributions of immigrants and their use of social services. The data in this pamphlet are derived from detailed studies that are available from the IIPP.

The present publication is based on the following analyses available from the IIPP:

- *Illinois and Immigrant Policy: A Briefing for State and Local Policy Makers*
- *Taxes Paid by Illinois Immigrants*
- *Estimated Costs of Providing Welfare and Education Services to the Native Born and to Immigrants in Illinois*

For copies of these publications or for other information on the Illinois Immigrant Policy Project, please contact either the Jewish Federation of Metropolitan Chicago or the Latino Institute at:

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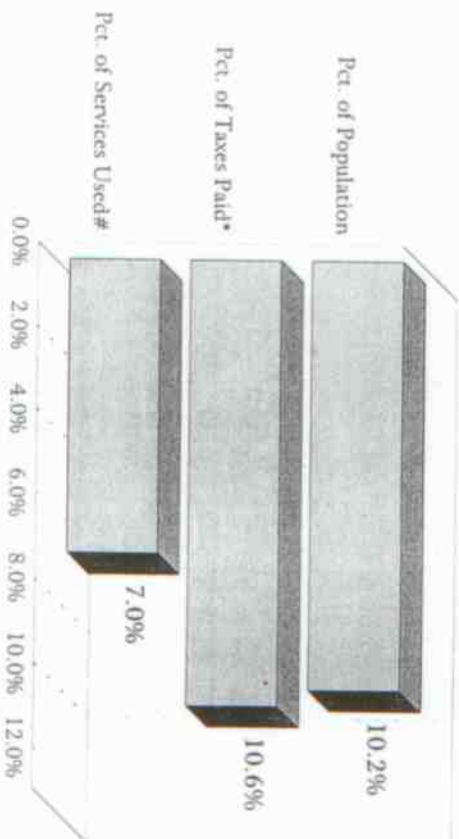
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The Jewish Federation of Metropolitan Chicago and the Latino Institute are members of the United Way of Chicago.

## Do Illinois Immigrants Pay Sufficient Taxes?

### Pct. of Major Taxes Derived from Immigrants Vs. Use of Major Social Programs

Illinois 1994



\*Taxes include federal and state income, state and local sales, FICA, property and unemployment insurance.

#Services include SSI, AFDC, AABD, TA and K-12 education.  
Source: Illinois Immigrant Policy Project

- Immigrants are 10.2 percent of the Illinois population, yet pay 10.6 percent of major taxes in the state. Immigrants receive only 7.0 percent of major welfare and educational services provided by federal, state and local governments.
- Contrary to popular perceptions, immigrants and immigrant taxpayers are not concentrated in Chicago. Some 49.2 percent of Illinois immigrants reside in Chicago, 43.7 percent live in the suburban Chicago area, and 7.1 percent live elsewhere in the state.

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## Where Do Immigrants' Taxes Go? Who Pays For Major Social Services?

### Immigrants' Tax Destinations Vs. Source of Services

Illinois 1994  
(Dollars in Millions)

Where Immigrants' Taxes Go  
\$7,196

Where Immigrants' Services Come From  
\$1,146



Taxes include federal and state income, state and local sales, FICA, property and unemployment insurance.  
Services include SSI, AFDC, AABD, food stamps, Medicaid and K-12 education.  
AFDC and AABD estimates are based on IDPA data.  
Source: Illinois Immigrant Policy Project

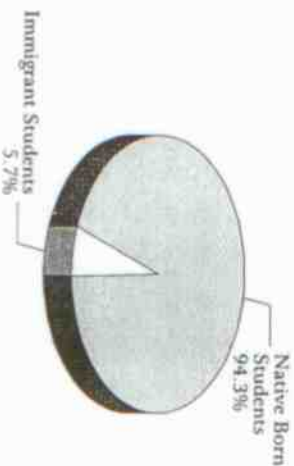
- Approximately 70.8 percent of major taxes collected from Illinois immigrants go to the federal government. The federal government, however, funds only about 37.0 percent of major welfare and educational services used by immigrants.
- The federal government also collects about 72 percent of major taxes paid by the native born population, while paying for only one-third of the major welfare and educational services they use. The federal government, however, has sole responsibility for the admission of immigrants and refugees into the U.S., and arguably should provide more funding to offset state and local governments' costs in providing services to immigrants.
- The disproportionate amount of immigrants' taxes going to Washington is acquiring special significance in light of federal welfare and immigration reform. These reforms make large numbers of legal immigrants ineligible for numerous federal programs, and shift service costs even more disproportionately to state and local governments.

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## How Much State Education Spending Goes to Immigrants?

### Pct. of Spending on Immigrant Students

State K-12 Education Programs  
Illinois 1994



Note: Total state K-12 spending in 1994, \$3.6 billion.  
Note: Graph includes general K-12 spending, bilingual education and school lunches.  
Source: Illinois Immigrant Policy Project

- Only 5.7 percent of state education funds are directed to immigrant students.
- Immigrants are disproportionately of working age. Only 7.8 percent of immigrants are 5-18 years old, compared to 19.3 percent of the native born population in Illinois. This means that foreign-born persons account for a low percentage of students in K-12 schools.

### Education Spending for Foreign-Born Students, Illinois 1994

(Dollars in Millions)

	FEDERAL K-12	STATE K-12	LOCAL K-12
Total	\$903.2	\$3,611.4	\$6,511.6
Native	\$851.9	\$3,407.2	\$6,155.9
Foreign Born	\$51.4	\$204.2	\$355.7
Foreign Born Pct	5.7%	5.7%	5.5%

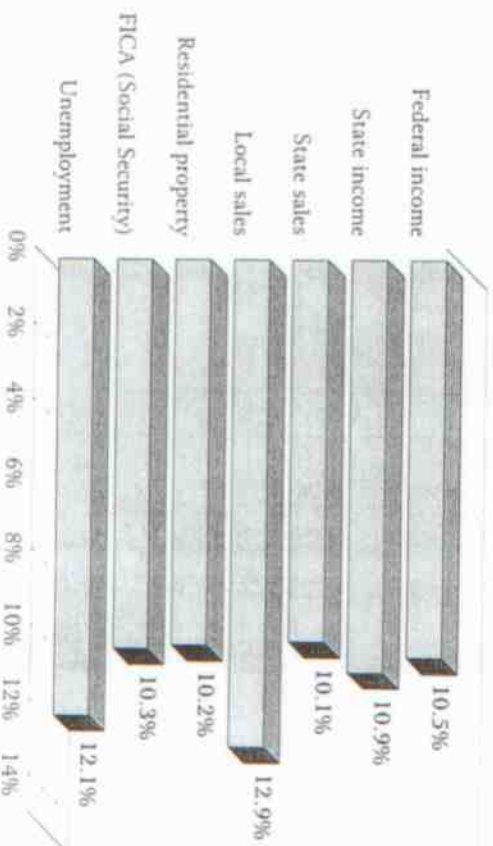
Source: Illinois Immigrant Policy Project, 1996.

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## Do Illinois Immigrants Pay Their Fair Share of All Taxes?

### Pct. of Tax Collections from Immigrants

Illinois 1994



Note: Immigrants are 10.2 percent of the Illinois population.  
Source: Illinois Immigrant Policy Project

- The amount of major taxes that governments collect from immigrants is proportionate to immigrants' share of the population.
- A disproportionately high amount of local sales taxes are derived from immigrants because they tend to reside in the Chicago area, which has generally higher sales taxes than the rest of the state.

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## Major Taxes Paid, by Nativity: Illinois 1994

(Dollar amounts are millions)

TAXES								
	Total Taxes	Federal Income Tax	State Income Tax	Social Security	State Sales Tax	Local Sales Tax	Property Tax	Unemploy- ment
Total	\$67,635	\$26,227	\$4,910	\$21,703	\$4,817	\$2,303	\$6,025	\$1,650
Natives	\$60,439	\$23,482	\$4,375	\$19,378	\$4,330	\$2,012	\$5,411	\$1,451
Foreign Born	\$7,196	\$2,745	\$535	\$2,325	\$487	\$291	\$614	\$199
Foreign Born Percent	10.6%	10.5%	10.9%	10.7%	10.1%	12.6%	10.2%	12.1%

Source: Illinois Immigrant Policy Project

- This table shows the percentage of seven major taxes collected from immigrants.
- Approximately 10.6 percent of major taxes collected in Illinois are collected from immigrants.
- Almost 13 percent of local sales taxes are derived from immigrants, who tend to reside in areas with relatively high local sales tax rates.

Table excludes Transitional Assistance program, for which statewide spending data is not available.  
Source: Illinois Immigrant Policy Project, 1996  
Note: Two estimates are presented for foreign-born use of AFDC and AABD. One estimate is based on IDPA administrative data; the other is calculated by the IIPP and is based on survey data.

	50% Federal / 50% State Funds		100% State Funds		100% Federal Funds	
	AFDC	Medicaid	AABD	SSI	Food Stamps	
Total	\$937.6	\$4,498.1	\$74.1	\$1,181.1	\$963.4	
Natives	\$878.2	\$4,209.5	\$67.8	\$1,006.8	\$920.4	
Foreign Born	\$59.4	\$288.6	\$6.3	\$174.3	\$43.0	
Foreign Born Percent	2.4%	6.3%	8.5%	14.8%	4.5%	

## Major Welfare Services Used, by Nativity: Illinois 1994

(Dollars in Millions)

## Immigrants' Eligibility for Welfare and Education Programs

- The welfare reform law signed by the President in August 1996 makes most legal immigrants ineligible to receive Supplemental Security Income or food stamps.
- The new welfare reform law allows Illinois to determine legal immigrants' eligibility for Medicaid, Temporary Assistance to Needy Families (TANF, the successor to AFDC) and programs funded through Title XX of the Social Security Act.
- Beginning in September 1996, most newly arriving immigrants are ineligible for the majority of federal means-tested programs until the immigrants become naturalized U.S. citizens. Newly arriving refugees will only be eligible for these programs during their first five years of residence.
- Legal immigrants will continue to be eligible for certain federal programs including the following: emergency Medicaid; immunizations (though not under Medicaid); School Lunch Act programs; Child Nutrition Act programs; higher education loans and grants; Elementary and Secondary Education Act programs; Head Start; and JTPA.
- Undocumented immigrants are **ineligible** for all major federal programs, with certain exceptions including the following: emergency Medicaid; school lunch and school breakfast; and immunizations. Undocumented immigrants are currently **ineligible** for state-funded programs including AABD and Transitional Assistance.
- Within the next several years, Illinois will be required to use a national computer data base to determine the immigration status of all applicants for federal assistance, including the native born.

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## Basic Facts on Illinois Immigrants

### Population by Nativity and Type of Foreign Born, Illinois 1994

GROUP	POPULATION	PERCENT OF TOTAL
Total Population	11,867,600	100.0%
Native Born	10,658,100	89.8%
Foreign Born	1,209,500	10.2%
Legal Immigrants	915,900	7.7%
Refugees & Asylees	49,500	0.4%
Undocumented	244,100	2.1%

Note: Illinois Dept. of Public Aid data indicate that as many as 75,000 refugees may reside in Illinois, while INS data indicate a population of 49,500.

Source: Illinois Immigrant Policy Project

### Socioeconomic Status by Nativity, Illinois 1990

	NATIVES	IMMIGRANTS
Percent 0-4 Years	8.0%	1.2%
Percent 5-17 Years	20.8%	8.9%
Percent 18-64 Years	58.7%	76.3%
Percent 65+ Years	12.5%	13.6%
Percent Who Speak English Well*	99.3%	74.5%
Percent with High School Degree**	78.4%	58.1%
Percent with Bachelor's Degree***	21.1%	20.8%
Median Household Income (1989)	\$66,1%	\$67.9%
Percent in Poverty	\$32,000	\$30,755
Percent with Public Assistance Income (Welfare)****	11.7%	13.4%
	4.4%	2.9%

Source: 1990 Census

\*Includes persons 5+ years

\*\*Includes persons 25+ years

\*\*\*Includes persons 16+ years, in civilian labor force

\*\*\*\*Includes persons 15+ years

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