

**LEVELS OF PUBLIC
ASSISTANCE IN
LOS ANGELES COUNTY:
DIFFERENTIALS BY
IMMIGRATION STATUS**

**MIKE CLUNE AND
CINDY PEETE**

**DEPARTMENT OF DEMOGRAPHY
UNIVERSITY OF CALIFORNIA,
BERKELEY**

UC DATA

University of California
2538 Channing Way #5100
Berkeley, CA 94720-5100
FAX (510) 643-0663

APRIL 7, 1995

WORKING PAPER #2

Levels of Public Assistance in Los Angeles County: Differentials by Immigration Status*

Paper presented at the Population Association of America Meetings
April 7, 1995

Mike Clune and Cindy Peete
Department of Demography
University of California
2232 Piedmont Avenue
Berkeley, CA 94720-2120
Office: (510) 642-9800

e-mail: clune@demog.berkeley.edu, peete@demog.berkeley.edu

*This research was supported by the Department of Demography at the University of California, Berkeley. The authors wish to thank the staff of UC Data Archive & Technical Assistance for their help with the dataset and feedback.

Levels of Public Assistance in Los Angeles County: Differentials by Immigration Status

Abstract

Using data from the California Work Pays Demonstration Project, we examine differential use of Aid to Families with Dependent Children and Food Stamps by immigrant and citizen households in Los Angeles County. We find that non-citizen households as a group in Los Angeles County receive lower monthly levels of AFDC and food stamp benefits than citizen households, and that significant differences in monthly benefit levels exist among immigrant entry groups. Refugees receive the highest level of benefits while undocumented families receive the lowest levels of income. The differential between non-citizens and citizens is primarily the result of higher eligible family sizes of citizen households. Differences among immigrant entry groups result from both family size and likelihood of having income. Additionally, when examined as total annual benefits, both the family size differences and differences in the number of months on assistance create disparities in assistance received.

Introduction

Welfare policy and immigration policy are two of the most volatile topics in current national public debate. When the two issues are combined, as is increasingly the case today, the debate grows even more heated and emotional. In addition, over the past three decades, both welfare programs and immigration policies have changed dramatically and more changes are currently being proposed. In order to make informed policy decisions, several questions about immigrant participation in public assistance programs must be addressed. Do immigrant families on AFDC receive levels of assistance which are significantly different from citizen families? If so, what characteristics of immigrant families account for these differences? How much variation exists among immigrant entry groups? In other words, does the utilization of assistance programs by refugees differ from that of non-refugee immigrants or citizens? Does the legal status of immigrants influence aid use and benefit levels? Does citizenship/immigrant entry status significantly affect the amount of time persons remain on welfare? Adequate answers to these questions must be derived in order to make informed, long-term policy decisions.

Central to the debate about immigrant households' use of public assistance programs is the question of how much aid they actually consume. Most research finds that immigrant families have higher participation rates in welfare programs and higher average benefits. Using the

1990 Census, Fix and Passel found that foreign-born persons were more likely than natives to receive welfare in 1989 and had higher average annual welfare income. They also found that immigrants from refugee sending countries had much higher participation and higher benefit levels. While 4.2% of natives and 4.7% of the foreign born population received welfare, 15.6% of immigrants from refugee sending countries were on aid. Natives received average annual welfare income of \$3,535; immigrants received \$4,485; and refugees \$5,704 (Fix and Passel, 1994). Borjas also analyzed the 1990 U.S. Census data, but evaluated assistance use by natives and immigrants at the household level. He finds that, in 1990, immigrant households received \$1400 per year more cash assistance on average than native households. (Borjas, 1994) While much literature addresses the variables influencing lengths of spells on welfare, we have been unable to find any research that includes immigration status in such analysis.

Problems of Previous Research

Many researchers have attempted to discover whether immigrants and natives who participate in public assistance programs have different levels of welfare consumption, participation rates, and lengths of spells. A number of difficulties exist with the data sources that have previously been available.

Most studies comparing immigrant and native-born welfare use data which lump together benefits from different assistance programs, making it impossible to determine the amounts recipients receive from individual programs. Immigrants and natives are likely to qualify for and utilize specific programs in different ways. One reason why researchers find that refugees are more likely to receive assistance may simply be the use of Refugee Cash Assistance in calculating total benefit amounts. In his analysis, Borjas used totals of cash assistance from AFDC, Supplemental Security Income, Refugee Cash Assistance, and general assistance. (Borjas, 1994) These aggregate sums are not only misleading, but fail to inform the debate. Because individual programs are funded through different sources and are legislated individually, it is important to distinguish benefits by program.

A further problem with many data sources is that researchers cannot differentiate immigrants by entry category. Important differences in program eligibility and participation are likely to exist between refugees and other immigrants and between legal and undocumented immigrants. Attempts to address these issues have been hindered by the fact that these surveys do not ask about entry categories. Most immigration researchers echo this complaint (Borjas, 1994; DaVanzo, et al., 1994; North, 1983). A

common convention among researchers is to impute immigration entry status on the basis of national origin. Borjas (1994) used the national origin of the household head to ascribe refugee status.

In addition to better classification by immigration status, more complex analysis of welfare use requires longitudinal or retrospective data that would allow evaluation of changes in participation and benefit levels over time (DaVanzo, 1994; Blank, 1994). This is particularly important in examining length of welfare spells, length of time between spells, and number of spells on aid to ascertain whether differences in participation exist which are attributable to immigration or citizenship status. Also, both the number of months on aid and the average monthly benefit level influence total annual welfare received. Until now, most longitudinal data about participation in public assistance programs depended upon data collected annually.

A fourth problem with most retrospective survey instruments is that they are subject to recall and reporting bias. Because stigmatization accompanies receipt of public assistance, recipients may hesitate to admit or tend to understate their use of government assistance.

Analyses which aggregate average benefits over the entire United States fail to account for state-specific influences on assistance levels. States differ widely in the levels of benefits they pay, and immigrants are not distributed proportionately among the states. California pays the fifth largest AFDC benefit and is the destination of choice for the largest proportion of immigrants (U.S. House of Representatives, 1994; U.S. Immigration and Naturalization Service, 1994). The large concentration of immigrants in high benefit states distorts benefit differentials based upon national averages. Borjas controlled for this problem by examining aid use in California as well as for the entire country. He found that immigrant households received higher average benefits after controlling for state of residence.

A New Data Source

New data has recently become available that allows researchers to examine specific programs and to distinguish immigrants by entry status. The Uniform Database of the California Work Pays Demonstration Project contains longitudinal data on AFDC and food stamp utilization. This data set allows us to avoid the five problems identified above. The files contain separate variables for the two assistance programs and identifies individuals citizenship and immigrant entry status. The data are collected monthly

allowing better tracking of transition on and off aid. The data consist of administrative records from county welfare offices and thus are not subject to recall or reporting bias. Finally, benefit levels and rules are uniform across California. Aid to Families with Dependent Children and Food Stamps represented 65 percent of combined federal and state expenditures on social services in California in the fiscal year 1990-91.¹ These programs are significantly larger than other welfare programs. (Wilson, 1992).

The Los Angeles County Detailed Administrative files of the California Work Pays Demonstration Project Uniform Database include longitudinal household information as well as immigration status for each person in the household. These files contain administrative data for a stratified sample of 6,000 Los Angeles County households which received AFDC in October 1992. The Los Angeles County AFDC caseload represents 34 percent of California households receiving AFDC. The files were constructed using the administrative records of the Los Angeles County Department of Social Services and contain family demographic characteristics, income, and additional information used in the calculation of AFDC checks and food stamp coupon amounts, as well as the value of AFDC checks and food stamps awarded to the families. The preliminary versions of these files contain these variables for every month the sample households were on aid between December 1992 and June 1994.

At the time of the sample, one-third of the sample cases were designated as control cases while the other two-thirds were assigned to be experimental. Control cases which remained on assistance would have benefits calculated under the welfare rules as they existed in December 1992. Experimental cases, as well as all other AFDC cases in the state, would have benefits calculated under any new rules made into law. Immediate reductions in grant payments and rule changes designed to encourage families to work were put into place at that time. We restricted our analysis to the experimental cases in the sample because the experience of these cases during the study period would represent the experience of the state caseload.

Determination of Immigrant Status:

¹ Other programs included in the social services budget include Supplemental Security Income, Refugee Cash Assistance, and several other programs. This budget does not include expenditures on health care programs.

Citizenship/immigrant entry status codes are available for each member of the household, but benefit and income data are available at the household level. To perform analysis at the household level, we needed to assign a citizenship/immigrant entry status to each household by selecting a representative person.² Because children with immigrant parents may be coded as citizens, we decided to look for a representative adult in the household. Los Angeles County records relationship codes, one of which is for the case applicant. Where possible, we chose the person in the case listed as the applicant. When multiple persons were listed, we chose the person on aid for the most months during the study period. If no person were listed as applicant, we chose the eldest member of the family directly involved in the AFDC case. We were able to select a household head for all but ten cases of the original sample of 5,959. We eliminated these cases from our study, as well as all control cases and any cases for which the alien entry code of the household head was blank. This left us with a sample of 3,885 cases.

Citizenship/immigrant entry status codes in the Los Angeles County files distinguish citizens³, non-refugee legal immigrants, undocumented persons, time-expired refugees⁴, IRCA temporary and permanent immigrants, and humanitarian parolees. In this paper, we discuss differences between citizen households and non-citizen households as a group and differences among the three largest immigrant entry groups (non-refugee legal immigrants, undocumented persons, and time-expired refugees), although we provide data for all six categories.

Description of Hypotheses and Variables:

We tested the hypothesis that significant differences in welfare use exist based upon citizenship/immigrant entry status. To do this we formulated three specific questions. Do citizens and immigrants receive significantly different amounts of welfare aid? Do differences in assistance levels exist between non-refugee legal immigrants and undocumented aliens? Finally, do differences in benefits exist between refugees and non-

² The data collected include demographic information for every person in the case for every month on aid during the study period. Thus, for many cases, there are 19 sex codes, 19 ethnicity codes, 19 dates of birth, and 19 immigrant entry codes for each person in the household. (For most persons, the codes are consistent over the period of the study.) To select one code for each demographic variable, we chose the last observed variable. Changes may have occurred over time as county eligibility workers correct reporting or data entry errors; for this reason we believe the last observed code to be the most accurate.

³ Households identified as citizen households include both native-born families and naturalized families. Thus, our classification of immigrants includes only immigrant households which have not naturalized.

⁴ Time-expired refugees are refugees who are no longer eligible for the Refugee Cash Assistance program.

refugee legal immigrants? To answer these questions we calculated mean benefit levels (and, later, mean family size and income levels) and tested for differences between the means.

To test our hypothesis, we examined two sets of benefit level variables. First, we looked at AFDC and food stamps received during December 1992 to evaluate differentials at a time when all of the sample cases received AFDC. Using the number of months on assistance and monthly benefits, we calculated a total benefit amount for 1993. This allowed us to compare our results with those reported in other studies. At the same time, we were able to disaggregate the effects of time on aid and monthly benefit levels on total assistance received for the year.

To explain why differences exist, we examined family characteristics (as recorded in the files for December 1992) which we felt would have the most significant influences on benefit amounts. Family size variables determine the maximum amount of aid a household may receive under the AFDC and food stamp programs. We examined whether families were headed by one or two parents and the number of eligible children and adults in the household. AFDC eligible adult members include citizen or legal immigrant parents of eligible children or citizen or legal immigrant women in the third trimester of pregnancy. AFDC eligible children include citizen or legal immigrant children either under age 18 or still in high school. Food stamp eligible persons include all citizen or legal immigrant persons in the household.

Because income also affects benefit levels, we also compared citizen and immigrant income levels. Income variables mediate the level of aid the family receives. After certain income disregards are taken into account, net earned and unearned income amounts are subtracted from the maximum aid levels determined by family size values to compute the actual aid award. The income disregards are designed to help families who are employed to pay for work-related expenses and child care. We examined income amounts used in the calculation of the food stamp benefits for cases which received coupons during December 1992. We compared both the proportions of cases with income and the actual income levels.

Immigrants in the Los Angeles County AFDC Caseload

Table 1 shows the numbers of cases in the sample and the expansion of those numbers to represent the county caseload by immigrant entry code. Non-citizen families make up

nearly 44 percent of the Los Angeles County caseload. Of the entry categories, families with an undocumented head of household make up the largest group, constituting 18.5 percent of the caseload. Non-refugee legal immigrants and refugees make up 13 and 6 percent of the caseload, respectively. Non-naturalized immigrants represented 23.7 percent of the L.A. County population in 1990 (U.S. Bureau of the Census). It appears that non-citizens are overrepresented in the L.A. County AFDC caseload, but it is important to remember that we are examining households and we assigned immigrant status based on the household head.

Table 1: CWPDP Sample Cases and Expansion to County Caseload, Los Angeles County, December 1992

	Sample Cases	County Caseload*	% of County Caseload
All Cases	3,885	288,580	
Citizen	1,831	162,439	56.3%
Non-citizen	2,054	126,140	43.7%
Legal Non-refugee	534	38,438	13.3%
IRCA Legalized	57	3,478	1.2%
IRCA Legalized	198	9,152	3.2%
Undocumented	695	53,333	18.5%
Humanitarian Parolee	133	4,124	1.4%
Refugee	437	17,616	6.1%

* Figures in this column are estimates of the number of households in each category in Los Angeles County in December 1992, based on weighting of the cases in our sample.

Differential Levels of Aid Receipt:

Table 2 shows mean values of aid receipt variables by immigrant entry status. In December 1992, citizen households received higher than average AFDC payments and food stamp coupons, while non-citizen households received lower than average amounts, although non-citizens were more likely to receive food stamps. On average, non-citizen families took home \$532 in AFDC and, if they received food stamps, \$160 in food stamp coupons. Because 88 percent of non-citizen families received food stamps, they took home an average of \$674 in benefits. Citizen families received an average AFDC benefit of \$580 and, if they received food stamps, an average coupon amount of \$172. Eighty-five percent of citizen families were on food stamps, and they took home an average combined benefit of \$726. All of these differences were statistically significant.

Differences also existed among the immigrant entry status groups. In general, legal non-refugee families receive more assistance than citizen and undocumented families, but

less assistance than refugee families. In December 1992, legal non-refugee families received an average AFDC benefit of \$577 and, if on food stamps, an average coupon amount of \$177. Undocumented families received average benefits of \$443 and \$121, while refugee families received average assistance of \$704 and \$228. Refugees were also more likely to receive food stamps during the month. Ninety-eight percent of refugee cases received food stamps, compared to only 88 percent for legal non-refugee cases and 85 percent for undocumented families. These differences yield a disparity of \$362 between the average combined benefits of undocumented and refugee families. Difference among the entry groups were statistically significant.

4 These between group differences persisted in 1993. Table 3 provides average number of months on aid and total benefit levels for 1993. During 1993, citizen cases again took home more assistance, in spite of the fact that the non-citizen families were on aid slightly longer on average. For the twelve months of 1993, citizen families received AFDC during 10.79 months on average and received food stamps 9.28 months on average. Non-citizen families received AFDC during 10.95 months and food stamps during 9.95 months. Only the difference in months on food stamps was statistically significant. Despite this difference in time on aid, the citizen families received greater annual AFDC benefits. Citizen families took home \$6,261 in AFDC benefits during 1993, while non-citizen families took home an average of \$6,015, a statistically significant difference of \$246. Non-citizens received \$54 more food stamp coupons for the year, but this difference was not statistically significant. Citizen families took home an average combined benefit of \$7,902 for the year, while non-citizen families took home an average of \$7,710, a statistically significant difference of \$192.

Of the immigrant entry groups, refugee households tended to be on AFDC and food stamps longest and to receive the largest benefits during 1993. Undocumented families were on food stamps during fewer months and received lower annual benefits, but were receiving AFDC for the same number of months as non-refugee legal cases. Legal non-refugee cases received AFDC and food stamps an average of 10.8 and 9.9 months, respectively. Undocumented cases were on these programs an average of 10.8 and 9.3 months, respectively, while refugee cases received AFDC and food stamps an average of 11.5 and 11.3 months, respectively. These differences, combined with differences in average benefit amounts, account for differences in average total annual benefits of \$4,364

between undocumented and refugee cases and \$2,106 between non-refugee legal and refugee cases. Again, all of these differences were statistically significant.

Table 2: Average Benefit Levels by Type and Citizenship/Entry Status, Los Angeles County, December 1992

	Cases on AFDC	Cases on FS	Proportion on Food Stamps	AFDC Benefit	Food Stamps on FS	Combined Benefit
All Cases	3,885	3,429	0.86	\$ 559.27	\$ 166.77	\$ 702.97
Citizens	1,831	1,566	0.85	580.44	171.96	725.90
Non-citizens	2,054	1,863	**0.88	**532.32	**160.44	**673.78
Legal Non-refugee	534	478	0.88	576.56	176.98	732.18
Undocumented	695	598	0.85	**443.44	**121.15	**545.82
Refugee	437	429	**0.98	**690.99	**221.79	**907.55
t-statistics	df					
H1: Non-citizen = Citizen	3,883		-2.69	8.27	4.96	6.48
H2: Undoc. = Legal NR	1,227		1.60	11.75	12.20	11.96
H3: Refugee = Legal NR	969		-4.77	-9.01	-8.73	-10.04

* statistically significant at 0.05 level, two-tailed test

** statistically significant at 0.01 level, two-tailed test

Table 3: Average Number of Months Assistance Received and Benefit Levels by Type and Citizenship/Entry Status, Los Angeles County, 1993

	Months on AFDC	Months on Food Stamps	Total AFDC Benefit	Total Food Stamps	Combined Benefits
All Cases	10.86	9.58	\$ 6,153.06	\$ 1,664.35	\$ 7,817.41
Citizen	10.79	9.28	6,261.44	1,640.80	7,902.24
Non-citizens	10.95	**9.95	**6,015.26	1,694.29	7,709.55
Legal Non-refugee	10.77	9.90	6,464.19	1,873.98	8,338.17
Undocumented	10.80	*9.32	**4,896.88	**1,182.63	**6,079.51
Refugee	**11.54	**11.30	**7,907.70	**2,536.36	**10,444.06
t-statistics					
H1: Non-citizen = Citize	-1.84	-5.05	3.01	-1.59	1.75
H2: Undoc. = Legal NR	-0.20	2.56	10.16	10.95	10.80
H3: Refugee = Legal NR	-4.50	-5.51	-8.35	-9.36	-8.99

* statistically significant at 0.05 level, two-tailed test

** statistically significant at 0.01 level, two-tailed test

What factors could explain observed differences in benefit levels?

The amount of benefits received by a family unit is determined by three factors: the total number of eligible family members, the amount of earned and unearned income received by the unit, and, if income is received, the level of income disregards (allowances) available to the family. The observed differences in monthly AFDC and food stamp

benefit levels between citizens and non-citizens and among immigrant entry groups can only be attributed to these factors.

Immigrant family sizes may be different for a number of reasons. Immigrants may, on average, have larger numbers of eligible children because they have higher fertility. Fertility in most immigrant source countries is higher than in the United States. Blau (1992) finds that immigrant women's fertility is higher than that of native-born women. Alternatively, immigrant households on assistance may contain fewer eligible children because the immigrant parents may be younger on average and have not completed their families. Immigrant families may contain higher numbers of adults -- immigrant families, coming from more traditional societies, may more likely be headed by two parents. Also, welfare rules may reduce the number of aided persons in the household because certain family members may be ineligible. Undocumented families should have lower numbers of eligible adults because only citizens and legal immigrants can be counted as eligible persons. In order for the family to be classified as undocumented, at least one of the adults in the household must be undocumented and therefore would not be counted in calculating the eligible family size. Similarly, elder siblings of the citizen children of undocumented parents may be undocumented and ineligible as well.

It is not clear whether immigrant families should be more or less likely to work or whether their earnings might be higher or lower than the earnings of citizens. Numerous reasons can be cited in either scenario. Immigrant families may earn less than citizen families for several reasons. Citizen families, having been in the country longer, should not face the language and cultural barriers faced by immigrants. Immigrants may be impeded in finding work because of language barriers and a lack of human capital specific to the US labor market. Several studies have found that immigrants have higher levels of unemployment (Simon, 1988; Borjas, 1990; DeFreitas, 1986). Studies also show that immigrants who do work are paid less than natives who work (Sorenson & Enchautegui, 1994). Alternatively, citizens on welfare may be less-skilled or less employable than immigrants. Citizens on welfare, having had more time 'at risk' for economic success, may be an inherently unemployable group, while immigrants may simply be suffering from a brief spell of post-immigration adjustment. Family structure may influence aid receipts indirectly through income levels as well. If immigrant families are more likely to be

headed by two-parents, they may be more able to earn income since one parent can provide child care while the other works.

Immigration law and welfare rules may influence the reported level of income. Because work by undocumented aliens is prohibited by law, it is necessarily underground and therefore not reported to government agencies. Undocumented families may have less reason to report earned income since the Department of Social Services is unlikely to discover such information through employment verification checks. Also, sponsored aliens may be more likely to have unearned income because they have the income of their sponsors 'deemed' to them according to the welfare rules. Finally, income disregards are allowances used in the calculation of the grant amount. An income disregard is not subtracted from the maximum aid level, thereby allowing the family to keep more of their income without having their benefits reduced. Differences between groups might occur if one group is more efficient in supplying the necessary paperwork to qualify for income disregards. We do not find any reasons why citizens might be more or less likely than immigrants to receive income disregards, except that language may be a barrier to immigrants' understanding of the disregard rules.

Differences in Family Size and Structure:

Table 4 provides information about the family size and structure of cases by immigrant entry code. In spite of the fact that they included more children on average, non-citizen cases tended to be smaller because they tended to contain fewer eligible adults. The average citizen case contained 1.95 children while the average non-citizen case contained 2.07 children. In contrast, the average citizen case contained 0.9 eligible adults while the average non-citizen case contained only 0.52 eligible adults. These statistically significant differences resulted in AFDC and food stamp unit sizes which were smaller for non-citizen families by just over 0.25 persons. In stark contrast to the smaller unit sizes of non-citizen families is the fact that such families are more likely than citizen cases to be two-parent families. While only 4.8 percent of citizen cases were two-parent families, 24.8 percent of non-citizen cases contained two parents.

Among immigrants, undocumented cases included fewer eligible persons than non-refugee legal cases, and refugee cases contained the largest number of eligible persons. Non-refugee legal cases contained 2.19 children and 0.77 adults on average. Undocumented cases contained only 1.85 children and 0.02 adults on average, while

refugee cases contained 2.37 children and 1.47 adults on average. These differences resulted in AFDC and food stamp unit sizes that varied by one person on average between undocumented cases and non-refugee legal cases and between non-refugee legal and refugee cases. Undocumented cases were least likely (although still much more likely than citizen cases) to be two-parent families, while refugee cases were most likely to contain both parents. Only 12 percent of undocumented cases were two-parent families, but 56 percent of refugee cases contained two parents.

Table 4: Family Size and Structures by Citizenship/Entry Status, Los Angeles County, December 1992

	Eligible Children	Two-Parent Cases	Eligible Adults	AFDC Unit Size	FS Unit Size
All Cases	2.01	12.97 %	0.73	2.74	2.90
Citizen	1.95	4.59 %	0.90	2.86	3.02
Non-citizen	**2.07	23.76 %	**0.52	**2.59	**2.76
Legal Non-refugee	2.19	19.67 %	0.77	2.96	3.13
Undocumented	**1.85	12.10 %	**0.02	**1.87	**1.96
Refugee	*2.37	55.97 %	**1.47	**3.85	**3.95
t-statistics					
H1: Non-citizen = Citizen	-3.22		19.07	6.22	5.82
H2: Undoc. = Legal NR	4.96		17.38	12.97	13.38
H3: Refugee = Legal NR	-2.34		-14.47	-9.45	-8.36

* statistically significant at 0.05 level, two-tailed test

** statistically significant at 0.01 level, two-tailed test

Proportions with Income:

Table 5 shows proportions of cases with different types of income. Non-citizens were more likely to have earned income while citizens were more likely to have unearned income. Only five percent of the citizen cases on food stamps had some earned income, while 13 percent of such non-citizen cases had earned income. Twenty-one percent of non-citizen cases on food stamps had some earned or unearned income while only 15 percent of citizen cases had some unearned or unearned income. After cash aid payments are added and income disregards subtracted, non-citizen families on food stamps are slightly less likely to have net income. Ninety-nine percent of citizen cases had a net income amount greater than zero, while only 95 percent of non-citizen cases had positive net amounts. All of these differences were statistically significant.

Differences in proportions with income also exist among immigrant entry categories. Thirteen percent of non-refugee legal immigrant cases on food stamps report some earned

income and 15 percent report some unearned income. Refugee cases are more likely to have earned income, but both refugee and undocumented cases were less likely to receive any unearned income. Twenty percent of refugee cases reported some amount of gross earned income, but none reported unearned income. Only 8 percent of undocumented cases reported unearned income. These differences result in proportions with any income of 15 percent for undocumented cases, 20 percent for refugee cases, and 27 percent for legal non-refugee cases. After cash assistance is added and income disregards subtracted, 98 percent of non-refugee legal immigrants had income remaining, but only 92 percent of undocumented cases reported income. Although not shown, the same patterns, with lower proportions, were found for AFDC net earned income and AFDC net unearned income. All of these differences were statistically significant.

Table 5: Proportion of Cases on Food Stamps with Income by Income Type and Citizenship/Entry Status, Los Angeles County, December 1992

	On Food Stamps	Gross Earned Income	Gross Unearned Income	Gross Combined Income	Net Income
All Cases	3,429	0.09	0.10	0.18	0.97
Citizen	1,566	0.05	0.11	0.15	0.99
Non-citizen	1,863	**0.13	0.09	**0.21	**0.95
Legal Non-refugee	478	0.13	0.15	0.27	0.98
Undocumented	598	0.11	**0.04	**0.15	**0.92
Refugee	429	**0.20	**0.00	**0.20	0.99
t-statistics					
H1: Non-citizen = Citizen		-8.15	1.94	-4.56	6.84
H2: Undoc. = Legal NR		0.97	6.26	4.80	4.49
H3: Refugee = Legal NR		-3.13	7.88	2.58	-0.69

* statistically significant at 0.05 level, two-tailed test

** statistically significant at 0.01 level, two-tailed test

Income Levels:

Table 6 shows average dollar amounts of income for cases reporting any income of that type. No consistent pattern of differences exists between citizens and non-citizens, and only the gap between net income after disregards is statistically significant. This variation exists largely because of the higher level of cash assistance received by citizen cases. Among immigrant groups, undocumented cases reported consistently lower average income, but these differences were not statistically significant. Significant differences did exist for food stamp net income after adding cash assistance and

subtracting disregards, but these findings probably result from differences in levels of AFDC payments rather than differences in non-assistance income.

Table 6: Average Food Stamp Income Amount if Available by Income Type and Citizenship/Entry Status, Los Angeles County, December 1992.

	Gross Earned Income	Gross Unearned Income	Gross Combined Income	Net Income
All Cases	\$325.37	\$202.64	\$271.57	\$382.62
Citizen	383.30	192.48	265.85	396.55
Non-citizen	299.62	217.76	276.40	**364.81
Legal Non-refugee	328.06	231.07	285.06	405.65
Undocumented	269.60	172.87	242.86	**278.64
Refugee	329.34	-	328.89	**471.68
t-statistics				
H1: Non-citizen = Citizen	1.76	-1.30	-0.41	4.61
H2: Undoc. = Legal NR	1.63	1.72	1.60	9.43
H3: Refugee = Legal NR	-0.04	-	-1.57	-4.59

* statistically significant at 0.05 level, two-tailed test

** statistically significant at 0.01 level, two-tailed test

Discussion:

We find that citizen families on welfare are not like non-citizen households. In any given month, average citizen families receive more assistance than average non-citizen families for several reasons. First, citizen families contain more eligible persons on average. Larger family size translates directly into a higher maximum aid payment before income is subtracted. Second, citizen families are less likely to have income. Since income is subtracted from the maximum aid payment, the benefit levels of citizen families are less likely to be reduced from the maximum aid payment.

We also find that variations in aid use do exist among immigrant entry groups. Among immigrants, refugee families typically receive the highest average benefits while undocumented families receive the lowest average benefits. Refugee families contain more eligible persons and are less likely to have income than non-refugee legal families. This raises their average maximum aid payment and reduces the likelihood that income will be subtracted from the maximum. Also, refugee households with income receive it as earned income which is more subject to income disregards than unearned income.

Undocumented families contain fewer eligible persons and are less likely to report income than non-refugee legal families. Thus, undocumented families have lower average

maximum aid payments, but are less subject to reductions in the payment than other immigrant families.

Comparing the immigrant entry groups to citizen families, refugee households have greater average benefit amounts and larger eligible families than citizen households. Refugee families are also more likely than citizen families to report income. Undocumented families have lower average benefit levels and lower numbers of eligible persons when compared to citizen cases. Undocumented and citizen families are equally likely to report income. Finally, non-refugee legal families have larger household sizes, but they are more likely to report income. Consequently, their benefit levels are about equal to the benefit levels of citizen families.

Explanations are available for some of the family size differences. The number of eligible adults appears to be influenced by both family structure and the immigrant eligibility rules. Refugee families are most likely to be headed by two parents, thereby increasing the number of potentially eligible adults present. It is not clear why citizen families contain more adults than non-refugee legal families, especially in light of the greater likelihood that non-refugee legal immigrant families are more likely to be headed by two parents. Undocumented households contain fewer eligible adults because eligibility requires legal residency status. The data reveal that, even in a two-parent family, it is highly unlikely that undocumented cases contain any legal resident adults. Both fertility levels and immigrant eligibility rules influence the number of eligible children. It appears that poor non-citizen households contain higher numbers of children than poor citizen households. This may be a selection effect of the mean age at immigration. Immigrant parents may be further along in their reproductive careers. Young citizen parents, on the other hand, are present in the population and may receive welfare upon first birth. This may reduce the average number of children per citizen household even if total fertility is equivalent to that of immigrant mothers. Undocumented households also contain fewer eligible children than all other groups. This could potentially be a fertility differential as well. It is possible, again, that fertility is equal, but some older children in the undocumented households are not eligible for assistance because they too are undocumented.

Fewer explanations are available for the variation in income receipt. The fact that immigrant households are more likely to have earned income may reflect the greater

likelihood that these households are headed by two parents. Additional adults in the household enable one person to provide child care while others work or search for work. This structural difference may explain the higher proportions of all immigrants who work and the higher rate of employment among refugees. The welfare regulations deeming income from sponsors is the likeliest explanation for the higher proportion of legal non-refugee immigrant households receiving unearned income.

Why do our results differ from those produced by Borjas for California native and foreign-born households? First, the census income data used by Borjas is self-reported and retrospective making it subject to recall bias. In addition, the stigmatization of welfare use makes it subject to reporting bias. Our grant levels come from administrative data and only the income amounts depend on self-reporting. The census data also fail to distinguish the program source of the benefits. Because all refugee family members are eligible for Refugee Cash Assistance regardless of age or income at time of entry, inclusion of this program inflates the average benefit for immigrant families. Because we have separate data for AFDC and food stamps, our results are not distorted by including income from programs to which only a select proportion of immigrants are entitled.

A third reason for discrepancies between our results and those found by Borjas may result from the nature of our sample. The census sample Borjas used consisted of a random sample of all households with assistance any time during 1989. Our sample reflects households with assistance received during a one month period. Thus, our sample contain a smaller share of short-term assistance users while the census sample captures short-term aid recipients who may have been on assistance during only a few months of 1993. We found that immigrants were likely to receive assistance during more months of the year. Thus, the census sample may include more short-term native-born households, lowering the average annual benefit received by native-born families. A fourth discrepancy between our analyses results from our classification of citizens. Some of our citizen families may be naturalized immigrants. Borjas classified these households as non-natives. We feel it is more relevant to current welfare policy discussions to examine citizen and non-citizen assistance use.

Conclusion:

We find that non-citizen households in Los Angeles County receive lower levels of AFDC and food stamp benefits than citizen households, and that significant differences in

benefit levels exist among immigrant entry groups. Refugees receive the highest level of benefits while undocumented families receive the lowest levels of income. The differential between non-citizens and citizens is primarily the result of higher eligible family sizes of citizen households. Differences in monthly benefits among immigrant entry groups result from both family size and likelihood of having income. Differences in annual benefit levels result from these disparities in monthly benefits as well as differences in the number of months on assistance.

Appendix I: Description of Variables

Aid receipt variables

- AFDC Amount, December 1992: The AFDC warrant amount received by the case during December 1992.
- Receipt of Food Stamps, December 1992: '1' if the case received food stamps during December 1992, '0' otherwise.
- Food Stamp Amount, December 1992: The dollar value of food stamp coupons received by the case during December 1992 if the case received food stamps.
- Total AFDC and FS Amount, December 1992: The combined amount of AFDC and food stamps received by the case in December 1992.
- Total Number of Months on AFDC, 1993: The total number of months during the 19-month study period in which the case received an AFDC check.
- Total Number of Months on FS, 1993: The total number of months during the 19-month study period in which the case received food stamps.
- Total AFDC Amount, 1993: The total amount of AFDC warrants received by the case during 1993.
- Total Food Stamp Amount, 1993: The dollar value of food stamp coupons received by the case during 1993.
- Total AFDC and FS Amount, 1993: The combined amount of AFDC and food stamps received by the case in 1993.

Family size and structure variables

- FG/U Status, December 1992: Family Group (FG) status cases, also called 30 cases, are families in which children are supported by a single parent. Unemployed parent (U) status cases, also called 35 cases, are households in which two parents reside, but the primary breadwinner is unemployed. Each case in the sample is assigned an original status, based on the family structure in October 1992, and a status for each month on aid during the study period.
- Count of AFDC Eligible Children, December 1992: Count of the number of children eligible for AFDC in the case for the month. Eligible children include citizen or legal immigrant children either under age 18 or still in high school.
- Count of AFDC Eligible Adults, December 1992: Counts of the number of adults eligible for AFDC the case for the month. Eligible adult members include citizen or legal immigrant parents of eligible children or citizen or legal immigrant women in the third trimester of pregnancy.
- AFDC Unit Size, December 1992: The total number of AFDC eligible persons in the household.
- Food Stamp Household Size: Count of the number of persons eligible for food stamps in the case during December 1992, if the case was on food stamps during the month. Eligible persons include all citizen or legal immigrant persons in the household.

Income variables:

- Had FS Gross Earned Income, December 1992: Whether or not the case had gross food stamps income, before any income disregards are subtracted.
- Had FS Gross Unearned Income, December 1992: Whether or not the case had gross food stamps unearned income during December 1992, before any income disregards are subtracted.
- Had FS Total Income, December 1992: Whether or not the case had any earned or unearned income during December 1992, before any income disregards are subtracted.
- Had FS Net Income, December 1992: Whether or not the case had net food stamps income during December 1992. Net food stamps income is the amount of income received by the case, including cash assistance, after all appropriate income disregards are subtracted.
- Amount of FS Gross Earned Income, December 1992: : The amount of gross food stamps income, before any income disregards are subtracted.
- Amount of FS Gross Unearned Income, December 1992: : The amount of gross food stamps unearned income during December 1992, before any income disregards are subtracted.
- Amount of FS Total Income, December 1992: : The combined amount of any earned or unearned income during December 1992, before any income disregards are subtracted.
- Amount of FS Net Income, December 1992: : The amount of net food stamps income during December 1992. Net food stamps income is the amount of income received by the case, including cash assistance, after all appropriate income disregards are subtracted.

Bibliography

- Banc, Mary Jo, and David Ellwood. (1994) *Welfare Realities: From Rhetoric to Reform*.
_____. (1986) "Slipping Into and Out of Poverty: The Dynamics of Spells." *Journal of Human Resources* 21:1-23.
- Blank, Rebecca M., and Patricia Ruggles. (1994) "Short-Term Recidivism Among Public-Assistance Recipients." *American Economic Review* 84(2):49-53.
- Blau, Francine D. (1984) "The Use of Transfer Payments by Immigrants." *Industrial and Labor Relations Review* (January 1984): 222-239.
_____. (1986) "Immigration and the U.S. Taxpayer." In Susan Pozo, (ed.) *Essays on Legal and Illegal Immigration*. Kalamazoo: W.E. Upjohn Institute for Employment Research.
- Borjas, George J. (1990) *Friends or Strangers: The Impact of Immigrants on the U.S. Economy*. New York: Basic Books, Inc.
_____. (1994) "Immigration and Welfare, 1970-1990." NBER Working Paper No. 4872. National Bureau of Economic Research, Inc.
- Borjas, George J., and Stephen J. Trejo. (1991) "Immigrant Participation in the Welfare System." *Industrial and Labor Relations Review*, 195-211.
- California State Department of Social Services and UC Data Archive & Technical Assistance, University of California (1994) *California Work Pays Demonstration Project: Uniform Database Preliminary Version, 1994*. [machine readable data file] Berkeley, CA: UC Data Archive and Technical Assistance, University of California [distributor].
- DaVanzo, Julie, Jennifer Hawes-Dawson, R. Burciaga Valdez, and Georges Vernez. (1994) *Surveying Immigrant Communities: Policy Imperatives and Technical Challenges*. Santa Monica: RAND.
- DeFreitas, Gregory. (1986) "A Time Series Analysis of Hispanic Unemployment." *Journal of Human Resources* 21:21-43.
- Fix, Michael E. and Passel, Jeffrey S. (1994) "Setting the Record Straight: What are the Costs to the Public?" *Public Welfare* 52(2):6-16.
- Gottschalk, Pete and Robert A. Moffitt. (1994) "Welfare Dependence: Concepts, Measures, and Trends." *American Economic Review*, 84(2):38-42.
- Hoynes, Hilary, and Thomas MaCurdy. (1994) "Has the Decline in Benefits Shortened Welfare Spells." *American Economic Review* 84(2):43-48.
- Hutchens, Robert M. (1981) "Entry and Exit Transitions in a Government Transfer Program." *Journal of Human Resources* 26:215-237.
- Khoo, Siew-Ean (1994) "Correlates of Welfare Dependency Among Immigrants in Australia." *International Migration Review* 28(1).
- North, David S. (1983) "Impact of Legal, Illegal, and Refugee Migrations on U.S. Social Service Programs." In Kritz (ed.), *U.S. Immigration and Refugee Policy*. Lexington: D.C. Heath.
- Rothman, Eric S., and Thomas Espenshade. (1992) Current Items: Fiscal Impacts of Immigration to the United States. *Population Index* 58(3):381-415.
- San Joaquin County Human Services Agency (1994) *AFDC Handbook*. Stockton, CA.
- Simon, Julian. (1989) *The Economic Consequences of Immigration*. Cambridge, MA: Basil Blackwell.
- Sorenson & Enchautegui. (1994) "Immigrant Male Earnings in the 1980s: Divergent Patterns by Race and Ethnicity." In Passel & Edmonston (eds.), *Immigration and Ethnicity: The Integration of America's Newest Arrivals*. Washington, DC: The Urban Institute Press.
- Stevens, Ann Huff. (1994) "The Dynamics of Poverty Spells: Updating Bane and Ellwood." *American Economic Review* 84(2):34-37.
- U.C. Data Archive & Technical Assistance (1994) *California Work Pays Demonstration Project: Uniform Database Preliminary Version, 1994 Codebook*. Berkeley, CA: University of California.
- U.S. Bureau of the Census. (1993). *1990 Census of Population: Social and Economic Characteristics*. Washington: U.S. Department of Commerce.
- U.S. House of Representatives. (1994) *1994 Green Book: Overview of Entitlement Programs*. Washington, DC: U.S. Government Printing Office.
- U.S. Immigration and Naturalization Service. (1994). *Statistical Yearbook of the Immigration and Naturalization Service, 1992*. Washington: U.S. Government Printing Office.
- Wilson, Pete. (1992) *Governor's Budget 1992-93*. Sacramento: State of California Governor's Office.