

**Immigrants and Illinois Welfare:
In Most Programs, Immigrant Caseload Declines Outpace
Those of Natives**

A National Center on Poverty Law Report

by Rob Paral

*Generous funding for this report was provided by the
Illinois Department of Human Services*

Summary

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in August 1996 and the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA, passed in September 1996), have substantially restructured immigrants' eligibility for public benefits programs. One result of the legislative overhaul has been widespread confusion among immigrants about their eligibility for benefits programs and fear that they may be determined to be a public charge if they utilize benefits programs.¹

This report examines the number of foreign-born persons enrolled in every major welfare program administered by the state of Illinois to determine whether significant trends in immigrant use of welfare have become evident in the wake of the 1996 legislation. For most programs, data are analyzed over a three-year period beginning with April 1996 (four months' prior to the passage of the PRWORA) through April 1999.²

The report is based on review of data records provided by the Illinois Department of Human Services (IDHS). The agency's data do not permit us to identify legal immigrant noncitizens in many instances, and so we look at the foreign-born population as a whole in most programs. In the case of the Temporary Assistance to Needy Families program, however, we are able to examine changes among naturalized immigrants and noncitizens over the five quarters leading up to April 1999.

Our findings include:

Temporary Assistance to Needy Families -- Noncitizens Decline Faster than Native Born

Between January 1998 and April 1999 the decline in noncitizens getting cash grants under TANF was far faster than the decline among U.S.-born persons: noncitizens fell in number 41.7 percent, compared to 25.0 percent among the native born.

The number of immigrants and native born getting TANF-MANG -- Medicaid but not cash grants -- has increased, but noncitizens have increased much more slowly than other groups. Between January 1998 and April 1999, noncitizens increased by only 14.7 percent, while the naturalized population grew by 63.5 percent and the native born grew by 45.2 percent.

General Assistance -- Foreign Born Decline Faster than Native Born

The foreign-born caseload in General Assistance has declined much more sharply than the native-born caseload, by 53.3 percent from April 1996 to April 1999, compared to only a 23.9 percent decline among the native born.

¹ A public charge determination can lead to an immigrant being denied the ability to adjust status or, in rare cases, can lead to deportation.

² I am grateful to staff of the National Center on Poverty Law for making the completion of this report possible, in particular to Dan Lesser, Senior Staff Attorney at NCPL.

Food Stamps -- Working-Age Foreign Born and Foreign-Born Children Decline Faster than Native Born

Overall, immigrants getting food stamps fell by 30.4 percent between October 1996 and April 1999, compared to a decline of 28.5 percent among natives.

The overall picture of food stamp use, however, masks sharp declines among immigrants relative to natives when we look at immigrant children and their parents. Among children and their parents enrolled in TANF-MAG, food stamp use fell by 60.2 percent between October 1996 and April 1999, compared to a decline of 48.8 percent among natives. Among the same age groups enrolled in TANF-MANG, immigrants getting food stamps fell by 2.5 percent compared to an 42.5 percent increase for natives.

When we look at the disabled and elderly population enrolled in AABD-MAG, immigrant loss of food stamps equaled 14.0 percent. The native born loss of food stamps was much greater, at 21.8 percent.

Foreign-born persons in the General Assistance program who get food stamps declined three times faster than the native born. Foreign-born usage fell by 62.2 percent compared to a decline of 20.0 percent among natives.

Aid to the Aged, Blind and Disabled (AABD) -- Foreign Born Increase Their Usage Compared to Native Born

In contrast to all other programs, the foreign-born have increased their numbers in the AABD program relative to the native born. The number of foreign-born persons getting cash grants in the AABD-MAG program increased by 0.7 percent between April 1996 and April 1999, while the native born fell by 19.9 percent. Similarly, foreign-born persons getting Medicaid through the AABD program -- but not getting cash grants -- grew by 8.5 percent while the native born increased by only 0.8 percent.

Increases in AABD may be explained in part by the heightened attention given to the plight of elderly immigrants in the wake of welfare reform, which terminated elderly immigrants' eligibility for Supplemental Security Income (the federal equivalent of AABD). (Subsequent amendments have restored eligibility to many of these immigrants.) The state of Illinois, for example, targeted funding to groups helping elderly immigrants naturalize to keep their SSI benefits.

The AABD population also includes many elderly immigrants who are single and probably less sensitive to concerns about being considered a public charge. The TANF program, in contrast, includes families whose members are more likely to have a variety of immigration statuses, e.g., naturalized, legal permanent resident, undocumented; members of these families would tend to be more wary of being declared a public charge, as it would complicate their ability to achieve permanent residency.

Background

Recent studies have documented dramatic declines in immigrant use and application for welfare programs nationally and in Los Angeles County. One study found that public benefit use by noncitizen households fell more sharply (35 percent) between 1994 and 1997 than among citizen households (14 percent).³ Another analysis of data from the Los Angeles County Department of Social Services found that newly approved applications for CalWorks (the California TANF program) and Medi-Cal (the California Medicaid program) from households headed by legal noncitizens fell by 71 percent over a two-year period beginning January 1996; by contrast, the number of newly approved applications from U.S. citizens remained constant.⁴

As explanation for the declining use of welfare by immigrants, analysts have cited the complex changes enacted to welfare policy by the PRWORA; the reversal of some of these changes by state and federal governments, and ensuing confusion over what the existing policy is; instances of immigrants being denied re-entry into the U.S. because they had used welfare; provisions of the PRWORA requiring government agencies administering federal housing, TANF and SSI programs to report undocumented immigrants; the possibility that immigrants on welfare are entering the workforce faster than natives; and others.

Much confusion has arisen in immigrant communities over the meaning of “public charge.” Immigrants determined to be a public charge can potentially be denied legal permanent residence, and can under very limited circumstances be deported.⁵ Reports have

³ Fix, Michael and Passel, Jeffrey Trends in Noncitizens' and Citizens' Use of Public Benefits Following Welfare Reform: 1994-97 Urban Institute: Washington, DC March 1999

⁴ Zimmerman, Wendy and Fix, Michael *Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angeles County* Urban Institute: Washington, DC July 1998. Note that there was no change in the noncitizen eligibility rules for Medi-Cal during this period; although the federal government reduced eligibility for some immigrants, the state used its own resources to continue to provide services to immigrants.

⁵ The term “public charge” describes persons who cannot support themselves and who depend on benefits that provide cash—like Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI)—for their income. Depending on an immigrant’s immigration status, the Immigration and Naturalization Service (INS) and State Department consular officers abroad can refuse to permit him or her to enter the U.S., re-enter the U.S., or become a permanent resident, if they think the immigrant will not be able to support herself or himself without these benefits in the future. Under very rare circumstances the INS can deport an immigrant for becoming a public charge within 5 years of entering the U.S. (Adapted from the National Immigration Law Center website (www.nilc.com)).

also circulated of erroneous applications of “public charge” considerations, such as persons being wrongfully denied the ability to naturalize because they had received public assistance.⁶

On May 25, 1999, the Clinton Administration issued guidance and proposed regulations to clarify the meaning of public charge. The Administration’s action should allay many fears about the misuse or unwarranted application of public charge considerations. In brief, the policy announcement makes it clear that the use of Medicaid, the Children’s Health Insurance Program (“KidCare” in Illinois), or other health services will not affect immigration status except for the use of long-term institutional care. Use of noncash assistance such as food stamps will not affect immigration status. Also, use of cash benefits by members of an immigrant’s family will not affect an immigrant’s status unless the benefits are the family’s sole source of income. Cash income benefits received by an immigrant, however, can affect the immigrant’s status, depending on the situation.⁷

This report is the first analysis of immigrant use of welfare in Illinois that examines changes over time in the number of immigrants receiving specific benefits. The programs analyzed include all major cash assistance, nutrition assistance and medical insurance programs. The source of the data are administrative records provided by the Illinois Department of Human Services.

⁶ In fact, receipt of public assistance can only affect a citizenship application if the assistance was fraudulently received and thus indicative of bad moral character.

⁷ This description is also adapted from www.nilc.com.

Programs Included in This Report

Program	Description
AABD-MAG	Aid to the Aged, Blind and Disabled, medical assistance with a cash grant. A state cash supplement to the federal Supplemental Security Income program. Recipients must be over 65 years of age or disabled.
AABD-MANG	Aid to the Aged, Blind and Disabled, medical assistance with no cash grant. Recipients may meet a less restrictive income test than with AABD-MAG, but must be 65 years or older or disabled.
General Assistance	Provides cash assistance and limited medical assistance to not employable working-age adults with no minor dependents.
TANF-MAG	Temporary Assistance for Needy Families, medical assistance with a cash grant. Provides cash assistance to needy children living with their parents or other adult relatives.
TANF-MANG	Temporary Assistance for Needy Families, medical assistance with no cash grant. Recipients may meet a less restrictive income test than that of TANF-MAG.
Food Stamps	Are provided to permit purchase of food items.

Trends Among Immigrant Groups in TANF

Illinois Department of Human Services data permit us to analyze trends among specific immigrant groups in the TANF program on a quarterly basis over the period January 1998 to April 1999. For programs other than TANF, we are restricted to comparing the foreign born as a group with the native born (the data limitations are discussed in more detail below).

Welfare reform ended the decades-old Aid to Families with Dependent Children program and replaced it with Temporary Assistance to Needy Families (TANF). The TANF program replaced AFDC in Illinois on July 1, 1997. The new program shifts the emphasis of the welfare system from providing income maintenance to transitioning recipients into the workforce, through a combination of work incentives and supportive services such as child-care assistance, and more stringent policies such as time limits on receiving assistance and harsher financial sanctions for non-compliance with program rules. These changes in combination with a healthy economy have led to much-publicized declines in the overall TANF caseload.

What has not been previously recognized here in Illinois is that noncitizens show much faster declines in using TANF-MAG cash assistance than either naturalized immigrants or the native born. Between January 1998 and April 1999 the number of noncitizens receiving TANF-MAG grants fell by 41.7 percent, compared to 30.0 percent among the naturalized and 25.0 percent among the native born. **In other words, the decline in noncitizens getting cash grants under TANF was more than 1.6 times faster than the decline among U.S.-born persons.**

It can be expected that as usage of the TANF-MAG program declines, there will be a temporary increase in the TANF-MANG program since persons leaving TANF-MAG as a result of finding employment are automatically eligible for six months' of Medicaid coverage and often qualify for an additional six months of assistance as long as their income is below 185 percent of poverty. (Recall that TANF-MANG provides only medical coverage without cash assistance.)

This shift from TANF-MAG to TANF-MANG explains at least part of the overall 43.5 percent growth in the TANF-MANG caseload in the period between January 1998 and April 1999. Noncitizens, however, increased much more slowly than other groups in TANF-MANG, by only 14.7 percent. The naturalized population increased its numbers by 63.5 percent in TANF-MANG -- four times faster than the noncitizens -- and the native born increased by 45.2 percent --three times faster than the noncitizens.

TANF-MANG also has a sizable number of foreign-born persons that are eligible for emergency medical care and prenatal services only. Most of these persons are presumably undocumented immigrants, along with some foreign students, foreign visitors and persons with other special immigration statuses.

The number of these persons eligible only for emergency medical services and prenatal care and participating in TANF-MANG grew by 32.7 percent over the period from January 1998 to April 1999. The increase among these persons is exaggerated somewhat, however, because January 1998 was the lowest quarter since April 1996 in terms of the size of the emergency medical only/prenatal care caseload in TANF-MANG. The TANF-MANG caseload of these persons increased by 26.8 percent between April 1998 and April 1999, and by only 8.0 percent between April 1997 and April 1999.

Change in Use of TANF Among Detailed Citizenship Categories

	January-98	April-99	January 98 - April 99 Pct. Change
TANF-MAG			
Native Born	434,065	325,418	-25.0%
Naturalized	2,784	1,949	-30.0%
Noncitizen	6,783	3,952	-41.7%
Emergency Medical/Prenatal Only	7	14	100.0%
Total	443,639	331,333	-25.3%
TANF-MANG			
Native Born	293,070	425,554	45.2%
Naturalized	4,853	7,937	63.5%
Noncitizen	15,665	17,961	14.7%
Emergency Medical/Prenatal Only	7,534	9,997	32.7%
FB Other	588	231	-60.7%
Total	321,710	461,680	43.5%

Source: Illinois Department of Human Services

Changes Across All Programs Among Foreign-Born and Native-Born

For programs other than TANF, IDHS data going back to April 1996 only provide accurate information on whether an individual is foreign born or not.⁸ Using April 1996 as a starting point, we can look at trends beginning prior to the passage of welfare reform. (The Personal Responsibility and Work Opportunity Reconciliation Act was signed by the President on August 22, 1996).

In TANF-MAG, the foreign-born cases fell 61.3 percent in the period between April 1996 and April 1999, while native-born cases fell only 49.6 percent. Differing trends among immigrants and the native born are especially clear in the TANF-MANG program. Here, both groups show an increase in participation, but in the April 1996 to April 1999 period, **the native-born growth rate in TANF-MANG is four times greater than the foreign-born growth rate** (66.4 percent for natives versus 16.1 percent for the foreign born).

The declines in the foreign-born caseload in General Assistance have been sharper than declines among the native born. Foreign-born persons in GA fell by 53.3 percent from April 1996 to April 1999, compared to only a 23.9 percent decline among the native born.

⁸ When analyzing changes in welfare use among programs, we exclude the special cash and medical assistance programs for refugees.

The number of foreign-born persons in the AABD-MAG program has stayed fairly level in the period analyzed, decreasing by only 0.7 percent between April 1996 and April 1999. The native-born population in AABD-MAG fell by 19.9 percent in the same period. In AABD-MANG, the foreign-born population grew by 8.5 percent while the native born remained almost the same, increasing by only 0.8 percent.

Data on food stamp participation among immigrants and the native born were only made available to us beginning with the July 1996 period, in contrast to other programs for which we were able to obtain April 1996 data. Yet the food stamp data for July 1996 is problematic. In this month the state's data show zero foreign-born participants in TANF-MANG to be getting food stamps -- an impossibility. The next quarter, October 1996, shows 4,817 foreign-born persons in TANF-MANG getting food stamps, a number consistent with subsequent quarters. For this reason we begin our food stamp analysis with data for October 1996 and we detail the food stamp information separately.⁹

Overall, immigrants and the native born both show roughly similar declines in their food stamp usage beginning in October 1996. By April 1999 the number of foreign born getting food stamps fell by 30.4 percent while the native born fell by 28.5 percent.

In Illinois, most food stamp recipients receive other benefits such as AABD or TANF. A small portion of the food stamp population gets only food stamps and not cash or medical assistance (these persons are labeled "Food Stamps Only" in the table below).

Immigrants and the native born show starkly different trends when we look at their food stamp reciprocity along with participation in a cash or medical assistance program. Immigrants receiving food stamps in connection with General Assistance declined four times faster than the native born, for example. Among persons getting food stamps in connection with TANF-MANG, the number of natives increased by 42.5 percent, while the number of foreign-born persons fell by 2.5 percent. Indeed, when persons getting food stamps in connection with AABD are factored out, immigrant declines in the food stamp program equal 44.7 percent compared to 31.1 percent among the native born.

⁹ Again, we exclude the special refugee programs in this analysis, as well as the persons getting food stamps in connection with these programs.

TRENDS IN IMMIGRANT USE OF WELFARE IN ILLINOIS

Change in Native- and Foreign-Born Use of Welfare Programs

	April-96	April-97	April-98	April-99	April 96 to April 97 Pct. Change	April 96 to April 98 Pct. Change	April 96 to April 99 Pct. Change
TANF MAG Foreign Born	15,292	12,219	10,490	5,915	-20.1%	-31.4%	-61.3%
Native Born	645,983	556,977	484,999	325,418	-13.8%	-24.9%	-49.6%
Total	661,275	569,196	495,489	331,333	-13.9%	-25.1%	-49.9%
TANF MANG Foreign Born	31,108	30,754	29,069	36,126	-1.1%	-6.6%	16.1%
Native Born	255,771	276,819	304,734	425,554	8.2%	19.1%	66.4%
Total	286,879	307,573	333,803	461,680	7.2%	16.4%	60.9%
GENERAL ASST Foreign Born	1,423	1,186	902	664	-16.7%	-36.6%	-53.3%
Native Born	6,668	6,386	5,842	5,075	-4.2%	-12.4%	-23.9%
Total	8,091	7,572	6,744	5,739	-6.4%	-16.6%	-29.1%
AABD MAG Foreign Born	5,469	5,382	5,588	5,431	-1.6%	2.2%	-0.7%
Native Born	44,127	41,133	37,564	35,359	-6.8%	-14.9%	-19.9%
Total	49,596	46,515	43,152	40,790	-6.2%	-13.0%	-17.8%
AABD MANG Foreign Born	30,422	31,569	31,959	33,011	3.8%	5.1%	8.5%
Native Born	275,433	278,974	277,469	277,624	1.3%	0.7%	0.8%
Total	305,855	310,543	309,428	310,635	1.5%	1.2%	1.6%

Source: Illinois Department of Human Services

TRENDS IN IMMIGRANT USE OF WELFARE IN ILLINOIS

Change in Native- and Foreign-Born Use of Food Stamps

	Oct-96	Apr-97	Apr-98	Apr-99	Oct 96 to April 97 Pct. Change	Oct 96 to April 98 Pct. Change	Oct 96 to April 99 Pct. Change
Foreign Born	32,770	30,450	24,140	22,820	-7.1%	-26.3%	-30.4%
Native Born	995,413	937,347	843,980	711,485	-5.8%	-15.2%	-28.5%
Total	1,028,183	967,797	868,120	734,305	-5.9%	-15.6%	-28.6%

Source: Illinois Department of Human Services

Change in Food Stamp Use by Program

	Oct 96 to Apr 99 Pct. Change	
	Native Born	Foreign Born
FS TANF MAG	-48.8%	-60.2%
FS TANF MANG	42.5%	-2.5%
FS GENERAL ASST	-20.0%	-62.2%
FS AABD MAG	-21.8%	-14.0%
FS AABD MANG	-9.9%	-8.9%
Food Stamps Only	-7.0%	23.7%
Total FS Recipients	28.5%	30.4%
Total FS Recipients except AABD	-31.1%	-44.7%

Source: Illinois Department of Human Services

Conclusion

The data examined in this report show that immigrants are experiencing greater declines than the native born in their participation in most welfare programs in the state of Illinois. Exceptions to the patterns of decline are the AABD-MAG and AABD-MANG programs (and food stamp use among persons in these programs).

The declines cannot be attributed to new eligibility rules created by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). As amended, the PRWORA mainly affects immigrants arriving after August 22, 1996.¹⁰ These latter immigrants, however, would not be enrolled in most Illinois welfare programs (TANF, food stamps and AABD) even without welfare reform, because prior to the PRWORA they would have been subject to a three-year period, starting upon their arrival, during which their

¹⁰ Working-age immigrants who arrived prior to 8-22-96 are also ineligible for food stamps in Illinois as a result of the PRWORA.

sponsor's income would have been deemed available to them, thus preventing most post-August 22, 1996 immigrants from meeting program income requirements until August 1999.¹¹

A report to be released in the coming weeks will analyze the reasons that immigrants and natives have been leaving Illinois welfare programs. This research will determine the extent to which immigrants are departing the welfare roles because they are obtaining income from employment, and whether their rate of moving from welfare to work is higher than that of the native born.

The data in this report suggest that -- as has been found nationally and in California -- immigrant fears of being declared a public charge may be suppressing their enrollment in programs to which they are entitled. The Illinois Department of Human Services is currently contracting with community organizations to translate informational materials and explain changes in eligibility rules that affect immigrants. This activity, along with the Clinton Administration's recent clarifications of public charge, makes sense and should alleviate concerns among immigrants. The constant changes regarding immigrant eligibility for public benefits and the governmental efforts to explain policies to the foreign born will require ongoing monitoring of whether immigrant increases and declines in the various welfare programs track comparable trends among the native born.

¹¹ Sponsor deeming never applied to Medicaid.

Data Coverage and Limitations

This report uses IDHS data that allows for breakdown by 1) native- or foreign-born status and 2) immigration status by quarter beginning with April 1996. With regards to the foreign-born indicator in IDHS data sets, agency staff interviewed for this report felt that the indicator is reasonably accurate and permits analysis of trends over all the thirteen quarters for which we have data.

The IDHS data set also includes immigration status codes separate from the foreign-born indicator. The immigration status codes are intended to permit data analysis of specific groups including naturalized immigrants, refugees, immigrants eligible only for emergency medical care and prenatal care, and immigrants with a variety of other immigration statuses.

Unfortunately, the agency's immigration status codes are problematic and do not permit specific groups to be isolated in all programs at all points in time. For example, in the AABD-MAG program, there is no indication of whether immigrants are naturalized or not prior to January 1998, and even after that date very few foreign-born persons are coded as to whether they are citizens.

In AABD-MANG, data prior to January 1998 indicate whether persons are naturalized or not, but a 94.8 percent increase occurs in the number of naturalized persons between October 1997 and January 1998. The new cases showing up as naturalized persons appear to have been previously coded, accurately, as foreign born but were not assigned a designation as naturalized until January 1998. A large number of cases continue to lack an immigration status identifier even after January 1998. A similar problem affects the data on General Assistance.

As a result of these and other problems, it is not possible to meaningfully analyze data on specific immigrant sub-groups in the AABD-MAG, AABD-MANG and General Assistance programs. For these programs we have to limit our analysis to changes in the overall number of foreign-born cases.

The IDHS data on TANF-MAG and TANF-MANG do permit foreign-born persons to be disaggregated into various sub-groups beginning with the January 1998 quarter. Currently, all cases in TANF-MAG and the great majority of cases in TANF-MANG (i.e., 99.2 percent in January 1999) identify an immigrant's particular immigration status.