

Health Care

One of the most troubling economic trends of recent years has been the rise in health care costs. Health related spending is rising about 7% per year – doubling every ten years. As a share of the economy, no country spends more on health care than the U.S.

Medical insurance covers roughly three-quarters of all health-cares costs. Unfortunately, insurance premiums are rising so rapidly that many middle-class Americans cannot afford coverage. According to the Census Bureau, 50.7 million people were without health insurance in 2009. Since 2000, more than 12 million people joined the ranks of the uninsured.

Explanations of the health insurance crisis usually focus on actions of employers, the aging population, consolidation among health insurance companies, and cutbacks in government medical programs. The role of mass immigration is rarely discussed, but data show that immigrants have had an enormous impact on the size and growth of the uninsured population in the United States.

Immigrants are more than twice as likely to be uninsured than native-born, with 34.5% of immigrants lacking insurance in 2009 versus 14.1% of U.S. natives. More importantly, in recent years immigrants have accounted for a disproportionate share of the rise in the uninsured: While only 12.4% of the U.S. population are immigrants, they accounted for 43% of the rise in the uninsured population over the past decade.

Why are immigrants uninsured? Many are poorly educated, ending up in jobs that pay poverty-level wages and few benefits – including health insurance. What's worse, immigrants often displace native workers, who suddenly find themselves without health benefits. Meanwhile, all employers, even those in white collar industries with few immigrants, face skyrocketing health insurance costs because they are forced to pay, indirectly, for the uninsured.

Uninsured people receive pretty much the same medical care available to people who pay for health insurance. Their medical costs are paid for by government programs, which means that taxpayers foot the bill. Even illegal immigrants, many of whom pay no taxes, are eligible for publicly funded medical care.

Efforts to resolve the health insurance crisis without addressing the role of immigration are doomed to failure.

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