

# Immigrant and Native Consumption of Means-Tested Welfare and Entitlement Benefits in 2022

BY ALEX NOWRASTEH AND JEROME FAMULARO

Total government spending on the welfare state amounted to about \$3.1 trillion in 2022. That year, the federal government spent roughly \$2.8 trillion on welfare and entitlement programs, an amount equal to approximately 45 percent of all federal outlays. Over \$2 trillion of federal expenditures went to Social Security and Medicare, and the other \$784 billion funded means-tested welfare benefits. States spent an additional \$255 billion on means-tested welfare programs.

Based on data from the Survey of Income and Program Participation, we find that immigrants consumed 21 percent less welfare and entitlement benefits than native-born Americans on a per capita basis in 2022. Immigrants were 14.3 percent of the US population and consumed just 11.9 percent of all means-tested welfare and entitlement benefits in 2022. Noncitizen immigrants—including those lawfully present in the United States on various temporary

visas, lawful permanent residents, and illegal immigrants—consumed 54 percent less welfare than native-born Americans. Noncitizens were 7.3 percent of the population and consumed just 3.5 percent of all welfare. However, naturalized immigrants consumed 17 percent more welfare than native-born Americans because they are an older population—they consumed 7 times as much Social Security and 4.3 times as much Medicare as noncitizens on a per capita basis. Naturalized immigrants were 7 percent of the population and consumed 8.4 percent of welfare benefits.

This study is a methodologically revised version of earlier Cato briefs on this topic, so the findings here are not directly comparable to earlier versions. Nevertheless, the overall finding that immigrants use less welfare than native-born Americans on a per capita basis is consistent among the briefs, even though there is substantial heterogeneity within the immigrant and native-born populations.



**ALEX NOWRASTEH** is the vice president for economic and social policy studies at the Cato Institute.  
**JEROME FAMULARO** is a research associate at the Cato Institute.

## BACKGROUND

Immigrant consumption of welfare benefits has been a contentious policy issue for decades. This brief is the latest in a series of Cato policy briefs on immigrant welfare consumption intended to supply more up-to-date information to policymakers and the public.<sup>1</sup> We methodologically updated this brief in several ways to improve its accuracy, which means its findings are not directly comparable to earlier Cato briefs on this topic.

The federal government spent roughly \$2.8 trillion on welfare and entitlement programs in 2022, an amount equal to approximately 45 percent of all federal outlays. In 2022, over \$2 trillion went to Social Security and Medicare, whose intended beneficiaries are the elderly, while the other \$784 billion went to means-tested welfare benefits, whose intended beneficiaries are people in poverty. States spent an additional \$255 billion on means-tested welfare benefits.<sup>2</sup>

Means-tested welfare programs are intended to aid people in poverty of any age. Eligibility for those programs and the value of their benefits are based on various factors, including the recipient's immigration status, income, and employment. For the purposes of this brief, means-tested programs include Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the earned-income tax credit (EITC). The EITC is relatively smaller than the means-tested welfare benefits distributed outside the tax code.

Entitlement programs are intended to aid the elderly, and age is the primary eligibility requirement for entitlements. The value of taxes paid into the program and the number of years worked by the recipient also affect one's eligibility and the value of benefits, among other factors. For the purposes of this brief, Medicare and Social Security benefits are entitlement programs. Social Security benefits include self-benefits and benefits on behalf of children. The Census Bureau's 2023 Survey of Income and Program Participation (SIPP), which examines the year 2022 and is the source of the data for this brief, doesn't cover every welfare or entitlement program, but the programs it does cover are responsible for the vast majority of American welfare state spending.<sup>3</sup>

## METHODOLOGY AND DATA SOURCES

SIPP is a household-based survey constructed from a series of national panels that sample householders interviewed over a multiyear period, and it provides information on the relationship between household income, participation in government programs, and demographics.<sup>4</sup> The survey is conducted in "waves," meaning that the first series of responses from a given panel constitutes Wave 1 for that panel, the following year's interviews of that same panel covering the next calendar year constitute Wave 2 of that panel, and so on. This brief uses Wave 1 and 2 microdata from SIPP. Waves 1 and 2 of the 2023 SIPP cover the usage rates and dollar values of means-tested welfare and entitlement programs from January to December 2022.

Several steps were necessary to calculate the value of per capita welfare consumption for immigrants and native-born Americans. The initial step involved using the appropriate survey questions in SIPP to calculate the dollar amount spent per capita on welfare used by immigrants and native-born Americans. Then we performed two adjustments to account for the systematic and heterogeneous underreported consumption of benefits in SIPP and other surveys of welfare consumption.<sup>5</sup>

Our first adjustment accounts for responses to SIPP that underreport benefit use. However, the amount of underreported benefit use differs across racial and ethnic groups, which adds an extra wrinkle. Unfortunately, the underreporting is not available by nativity, country of origin, citizenship status, or age, so we had to rely on race and ethnicity. We accounted for this by adjusting upward the value of benefits consumed for all groups herein based on the ethnic and racial composition of individuals in the SIPP data using unemployment insurance undercount rates.<sup>6</sup> The effect of this adjustment is increased benefit consumption across all groups to different extents. The race-and-ethnicity-controlled undercount rate adjustment is a methodological change from earlier Cato analyses of welfare consumption by nativity. Therefore, estimates in this analysis are not directly comparable to previous analyses. After the first adjustment, there is still a gap between the amount of welfare individuals report having consumed and the amount spent by the government. Our second adjustment thus uniformly increases benefit consumption across all groups by the difference between reported consumption and total government

spending on these welfare programs.

Additionally, several nuances in welfare program eligibility in the SIPP dataset must be understood to accurately interpret the results. Program eligibility and the value of benefits received are based on the unit of assistance, which is either the individual or the household. Individuals are the unit of assistance for Medicaid, SSI, Social Security benefits, and Medicare. The household is the unit of assistance for WIC, TANF, SNAP, and the EITC. The SIPP dataset does not allow us to divide the welfare benefits legally received by the members of a household for programs with a household unit of assistance. Therefore, we divided the benefits from WIC, TANF, and SNAP equally across all household members. Because SIPP does not record the dollar amount of Medicaid and Medicare benefits expended per user, we relied on the total expenditure numbers from the Centers for Medicare and Medicaid Services to calculate the per-user expenditure rate. We first identified individuals who reported Medicare and/or Medicaid coverage in 2022 in the SIPP data and then identified the individuals who reported consuming health care services that account for most health care expenditures: hospital stays, prescription medication use, and physician visits.<sup>7</sup> We assigned these individuals the reported per-enrollee expenditure amount for 2022. Likewise, SIPP does not provide the EITC dollar amounts, so we obtained undercount-adjusted usage rates by tax-filing household and multiplied them by the mean EITC amount obtained from the Joint Committee on Taxation.<sup>8</sup>

Other studies evaluating immigrant welfare participation and consumption use the household as the unit of analysis for all programs.<sup>9</sup> However, we dispute this approach because many spouses and children of immigrants are native-born Americans. Counting native-born welfare consumption as immigrant consumption improperly inflates estimates of immigrant welfare use and deflates native-born consumption. Moreover, this approach reduces usage rates and benefit levels for means-tested welfare and entitlement programs with individuals as the unit of assistance. A rule by the Trump administration's Department of Homeland Security implicitly sides with our preferred measure of using individuals as the unit of assistance rather than the flawed household approach when estimating the potential for current immigrants to consume welfare in the future.<sup>10</sup>

## RESULTS

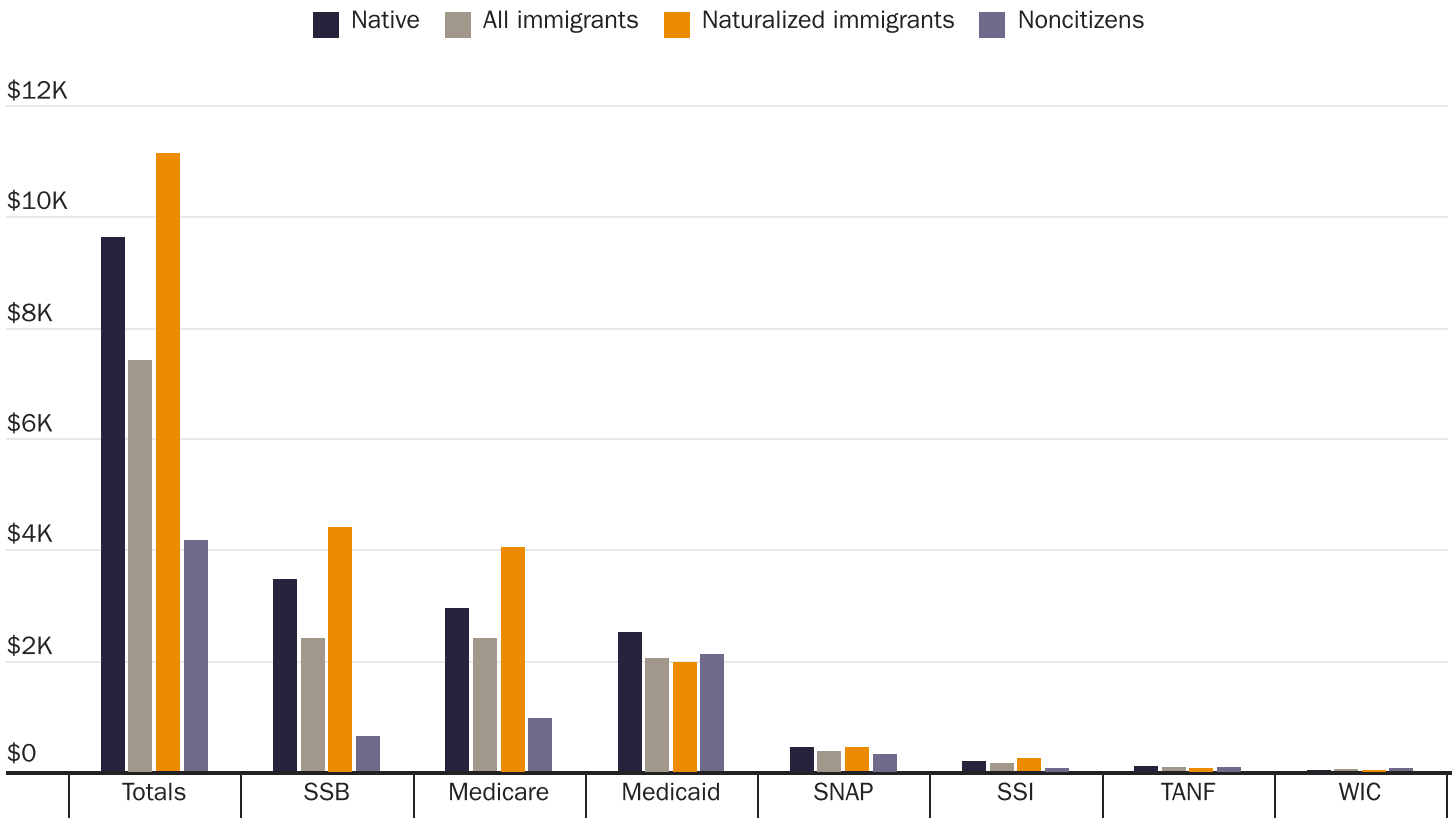
Figure 1 shows the average per capita welfare costs by program for all native-born Americans, all immigrants, naturalized immigrants, and noncitizens. All immigrants individually consumed an average of \$7,803 in 2022, 21 percent less than native-born Americans, who consumed an average of \$9,822. The average native-born American consumed more than the average immigrant for all welfare programs covered by SIPP other than the EITC and WIC, of which immigrants consumed \$193 and \$16 more on average than natives, respectively. In all calculations, tables, and figures, TANF includes state maintenance-of-effort expenditures, which state governments are required to spend on benefits and services for needy families each year to qualify for federal TANF funding. The SSI expenditures also include federally administered state supplementation. Because the SIPP data do not distinguish between the use of federal and state funds, these inclusions produce more accurate estimates.

Among all immigrants, naturalized immigrants and noncitizens consumed vastly different amounts of welfare. Noncitizens, including those on various visas and those who are illegal immigrants, consumed \$4,564 of welfare benefits on average, which is 54 percent less than native-born Americans. Noncitizens in every major age group we analyzed (0–17, 18–64, and 65 or older) used less welfare benefits on average than native-born Americans. Meanwhile, naturalized immigrants used \$11,511 of welfare benefits on average—17 percent more than native-born Americans.

In 2022, all immigrants consumed 31 percent less Social Security, 18.6 percent less Medicare, 18.6 percent less Medicaid, 16.4 percent less SNAP benefits, 24.8 percent less SSI, and 27.1 percent less TANF benefits than native-born Americans on a per capita basis. Noncitizens used a relatively lower amount of welfare than immigrants in general and, by extension, native-born Americans. In particular, noncitizen consumption of Medicare and Social Security benefits was 67.7 percent and 81.8 percent, respectively, below that of native-born Americans. This is partly because their median age is 39.5, whereas the median native-born age is 46.<sup>11</sup> However, consumption of Medicare and Social Security benefits by naturalized immigrants was 37.6 percent and 27.1 percent, respectively, higher than that of natives. This was driven by their higher median age of 52.5.<sup>12</sup> Furthermore, all immigrants received fewer total benefits across all age

Figure 1  
**Per capita welfare consumption for immigrants and native-born Americans, 2022**

Welfare use by immigration status



Sources: 2023 Survey of Income Program Participation; American Community Survey; Centers for Medicare and Medicaid Services; Social Security Administration; Department of Agriculture; Department of Health and Human Services; Bruce D. Meyer et al., “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009; Bruce D. Meyer et al., “Race, Ethnicity, and Measurement Error,” in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024); and authors’ calculations.

Notes: SNAP = Supplemental Nutrition Assistance Program; SSB = Social Security benefits; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. Noncitizen TANF use is statistically insignificant.

groups (0–17, 18–64, and 65 or older). Per capita, welfare costs varied by race and ethnicity within each group of native-born Americans and all immigrants, including the subcategories of noncitizens and naturalized immigrants (Figure 2). All immigrants used less welfare regardless of race, except Asians. Average per capita use was highest for black natives, followed by white natives, and no immigrant group used more welfare per capita than them. Asian immigrants, despite being the only immigrant group that consumed more welfare than native-born Americans of the same race, used less welfare than any other immigrant group. On a per capita basis, white immigrants consumed the most welfare, black immigrants the second most, Hispanic immigrants the third most, and Asian immigrants the least. The differences in per capita welfare consumption by immigrants in different racial

groups were driven by age, with individuals in older groups consuming more welfare on average.

Figure 3 shows per capita receipt of the EITC by immigration status. Whether we consider all immigrants or only noncitizens and naturalized immigrants separately, these groups received more EITC on a per capita basis than native-born Americans. Furthermore, Figure 4 shows that black and Hispanic immigrants received the most EITC of all the groups, while white immigrants and Asian native-born Americans used the least.

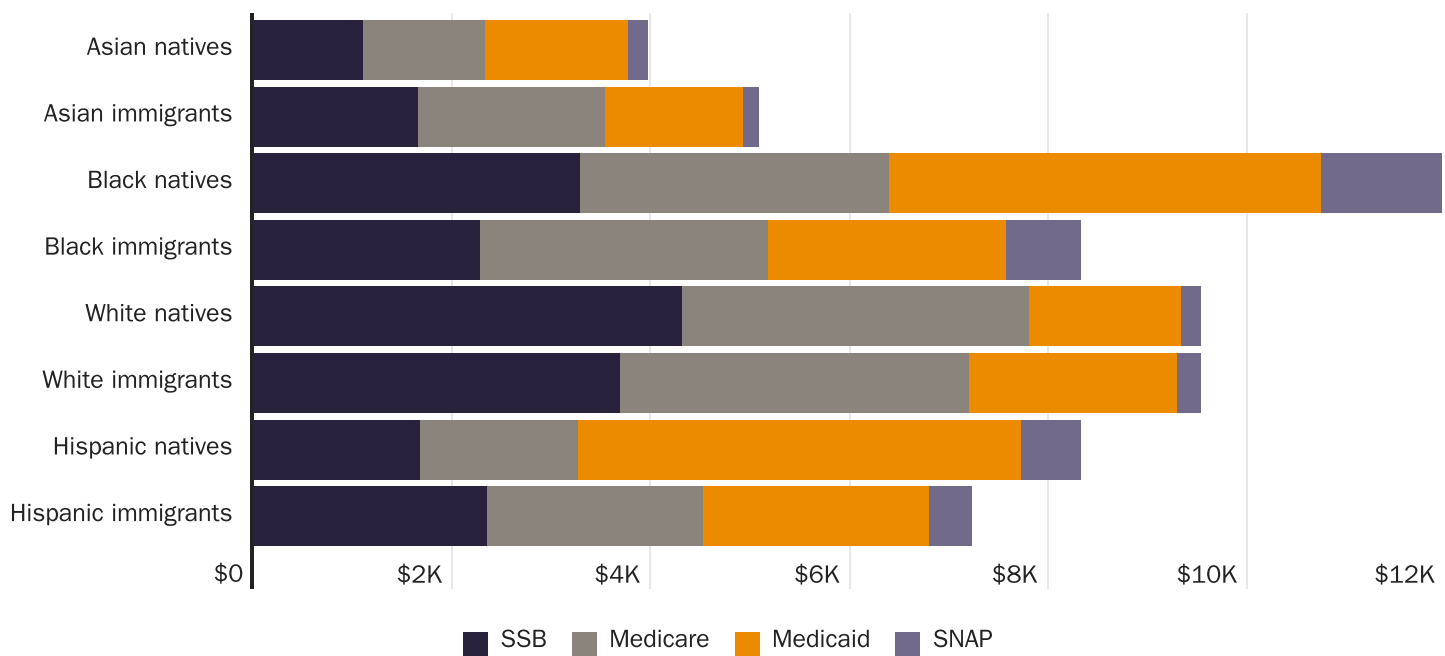
**DISCUSSION**

Overall, immigrants consumed about 21 percent less welfare and entitlement benefits than native-born

Figure 2

## Per capita welfare consumption of major programs by nativity, race, and ethnicity, 2022

Use of major welfare programs by race and immigration status



Sources: 2023 Survey of Income Program Participation; American Community Survey; Centers for Medicare and Medicaid Services; Social Security Administration; Department of Agriculture; Department of Health and Human Services; Bruce D. Meyer et al., "The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences," National Bureau of Economic Research Working Paper no. 15181, July 2009; Bruce D. Meyer et al., "Race, Ethnicity, and Measurement Error," in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024); and authors' calculations.

Notes: SSB = Social Security benefits; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. SSI, TANF, and WIC were excluded because some of the results were statistically insignificant.

Americans. All immigrants were 14.3 percent of the US population and consumed just 11.9 percent of all estimated benefits in 2022; noncitizens were 7.3 percent of the population and consumed 3.5 percent of all benefits; and naturalized immigrants were 7 percent of the population and consumed 8.4 percent of all benefits. Native-born Americans consumed about \$2.8 trillion in means-tested welfare and entitlement benefits in 2022, compared with \$365.6 billion consumed by all immigrants, \$109.4 billion consumed by noncitizens, and \$263.3 billion consumed by naturalized immigrants. If native-born Americans had consumed the same per capita dollar amount of means-tested welfare and entitlement programs as all immigrants, the total expenditures on these programs would have been about \$569 billion less in 2022.

Outlays for the old-age entitlement programs of Social Security and Medicare accounted for 66 percent of all welfare state expenditures in the United States in 2022

and 72 percent of all federal welfare state expenditures. When Social Security and Medicare are combined into a separate old-age entitlement category and the other welfare programs (Medicaid, SNAP, SSI, TANF, WIC, and the EITC) are combined into a means-tested welfare category, the results change somewhat. Table 1 shows that noncitizens consume the least amount of both means-tested welfare and old-age entitlement programs—by far. Compared with native-born Americans, noncitizens consumed 75 percent less old-age entitlement benefits and 13 percent less means-tested welfare benefits on a per capita basis.

Elderly immigrants consumed more Medicaid benefits than elderly native-born Americans. Regarding elderly immigrants using Medicaid, the same explanation we gave in our previous brief applies: Fewer immigrants qualify for the more expensive Medicare, and more have legal access to Medicaid, thus many of them increase their consumption of Medicaid to compensate. For instance,

Figure 3

**Per capita EITC consumption for immigrants and native-born Americans, 2022**

EITC use by immigration status



Sources: 2023 Survey of Income Program Participation; American Community Survey; Joint Committee on Taxation; Bruce D. Meyer et al., “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009; Bruce D. Meyer et al., “Race, Ethnicity, and Measurement Error,” in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024); and authors’ calculations.

Note: EITC = earned-income tax credit.

states have the option of providing Medicaid to pregnant lawful permanent residents, immigrant children, and illegal immigrants in emergency situations and other cases—and many do.<sup>13</sup> Refugees and asylum seekers also have access to means-tested welfare benefits for their first seven years in the United States.<sup>14</sup> Minor legal changes can significantly reduce immigrants’ access to all these programs.<sup>15</sup>

Our findings here are similar to earlier briefs on this subject, though this version does adjust its methods from earlier Cato briefs, as explained previously. Evaluating *individual* welfare usage—the correct methodology, according to most other researchers and implicitly endorsed by the Department of Homeland Security—is superior to the flawed household approach and yields directionally similar results regardless of whether the Current Population Survey or SIPP is used.<sup>16</sup> In other words, other evaluations of immigrant welfare usage based on the household methodology found that immigrants used more welfare *because* these studies included the welfare usage of nonimmigrants in the household.

Table 1

**Old-age entitlement and means-tested welfare consumption**

	Old-age entitlements	Means-tested welfare
Native-born Americans	\$6,396	\$3,426
All immigrants	\$4,775	\$3,029
Noncitizens	\$1,576	\$2,988
Naturalized immigrants	\$8,436	\$3,075

Sources: 2023 Survey of Income Program Participation; American Community Survey; Centers for Medicare and Medicaid Services; Social Security Administration; Department of Agriculture; Department of Health and Human Services; Joint Committee on Taxation; Bruce D. Meyer et al., “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009; Bruce D. Meyer et al., “Race, Ethnicity, and Measurement Error,” in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024); and authors’ calculations.

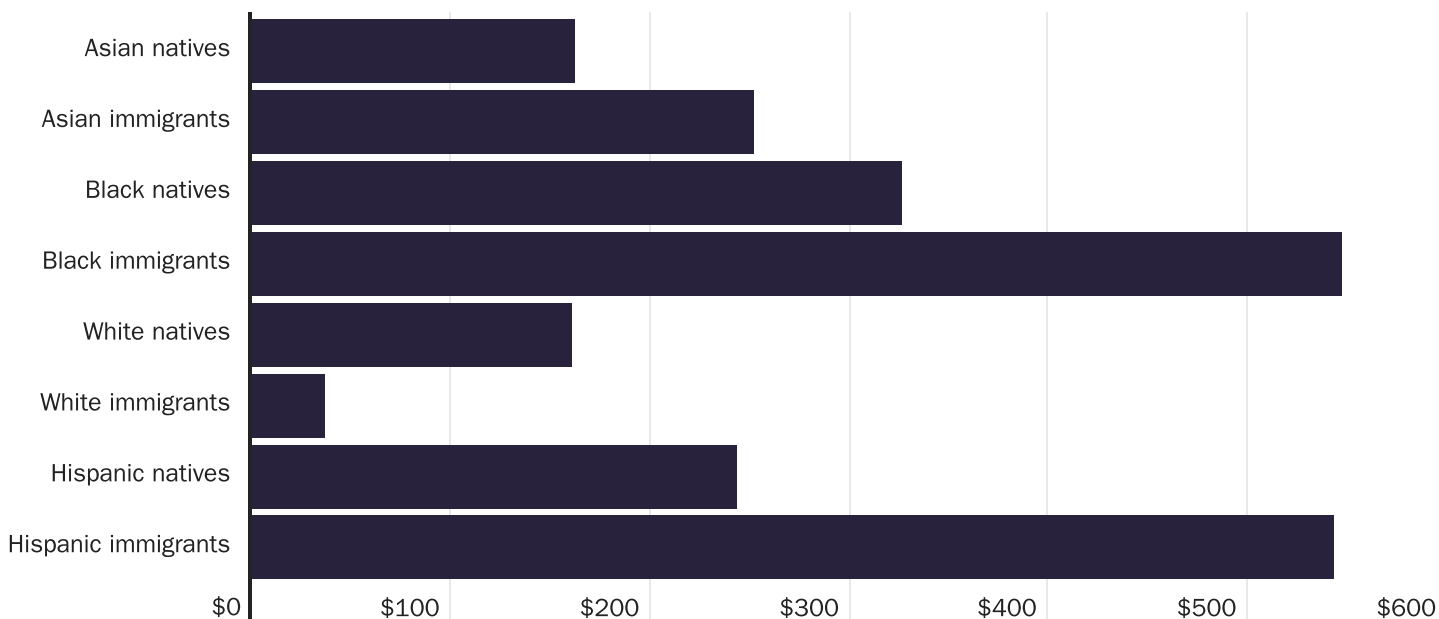
Notes: SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; EITC = earned-income tax credit. Old-age entitlements include Social Security and Medicare. Means-tested welfare includes Medicaid, SNAP, SSI, TANF, WIC, and the EITC.



Figure 4

## Per capita EITC consumption for immigrants and native-born Americans by race and ethnicity, 2022

EITC use by immigration status and race



Sources: 2023 Survey of Income Program Participation; American Community Survey; Joint Committee on Taxation; Bruce D. Meyer et al., “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009; Bruce D. Meyer et al., “Race, Ethnicity, and Measurement Error,” in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024); and authors’ calculations.

Note: EITC = earned-income tax credit.

## CONCLUSION

Native-born Americans consume, on an average per capita basis, more welfare and entitlement benefits than all immigrants, and this pattern has held for several years across data from multiple datasets analyzed with different methods.

The dollar differences are most pronounced for the two largest entitlement programs, Medicare and Social Security. Noncitizens consume the least, and naturalized immigrants consume more than natives because they are older and thus consume greater per capita quantities of Medicare and Social Security.

## NOTES

1. Alex Nowrasteh and Michael Howard, “Immigrant and Native Consumption of Means-Tested Welfare and Entitlement Benefits in 2020,” Cato Institute Briefing Paper no. 148, January 31, 2023; Alex Nowrasteh and Michael Howard, “Immigrant and Native Consumption of Means-Tested Welfare and Entitlement Benefits in 2019,” Cato Institute Briefing Paper no. 137, March 30, 2022; Alex Nowrasteh and Tu Le, “Immigrant and Native Consumption of Means-Tested Welfare and Entitlement Benefits in 2016: Evidence from the Survey of Income and Program Participation,” Cato Institute Immigration Research and Policy Brief no. 15, January 14, 2020; Alex Nowrasteh and Robert Orr, “Immigration and the Welfare State: Immigrant and Native Use Rates and Benefit Levels for Means-Tested Welfare and Entitlement Programs,” Cato Institute Immigration Research and Policy Brief no. 6, May 10, 2018;

and Leighton Ku and Brian Bruen, “Poor Immigrants Use Public Benefits at a Lower Rate than Poor Native-Born Citizens,” Cato Institute Economic Development Bulletin no. 17, March 4, 2013.

2. “Historical,” National Health Expenditure Data, Centers for Medicare and Medicaid Services; Board of Trustees of the Federal Old-Age and Survivors Insurance Fund, The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (Social Security Administration, June 2, 2022); FY 2024 Budget Summary (Department of Agriculture); SSI Annual Statistical Report, 2020 (Social Security Administration, October 2021), p. 16; and TANF Financial Data—FY 2020 (Office of Family Assistance, Department of Health and Human Services, October 5, 2021).

3. “Federal Welfare Programs,” Single Mother Guide, last updated January 7, 2025.
4. 2023 Survey of Income and Program Participation Users’ Guide (Department of Commerce, July 2024).
5. Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan, “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009.
6. Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan, “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” National Bureau of Economic Research Working Paper no. 15181, July 2009; and Bruce D. Meyer, Nikolas Mittag, and Derek Wu, “Race, Ethnicity, and Measurement Error,” in Randall Akee, Lawrence F. Katz, and Mark Loewenstein, eds., *Race, Ethnicity, and Economic Statistics for the 21st Century* (University of Chicago Press, 2024), p. 34.
7. “National Health Expenditures by Type of Service and Source of Funds, CY 1960–2023,” Historical, National Health Expenditure Data, Centers for Medicare and Medicaid Services.
8. Joint Committee on Taxation, Estimates of Federal Tax Expenditures for Fiscal Years 2023–2027 (Congress of the United States, December 7, 2023).
9. George J. Borjas and Lynette Hilton, “Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs,” *Quarterly Journal of Economics* 111, no. 2 (May 1996): 575–604; Steven A. Camarota and Karen Zeigler, “63% of Non-Citizen Households Access Welfare Programs: Compared to 35% of Native Households,” Center for Immigration Studies, November 20, 2018; and Steven A. Camarota, “Welfare Use for Immigrants and Native-Born Households,” Center for Immigration Studies, September 1, 2021.
10. Inadmissibility on Public Charge Grounds, 84 Fed. Reg. 41,292 (August 14, 2019).
11. “S0501: Selected Characteristics of the Native and Foreign-Born Populations,” 2022 Five-Year Estimates, American Community Survey, US Census Bureau.
12. “S0501: Selected Characteristics of the Native and Foreign-Born Populations,” 2022 Five-Year Estimates, American Community Survey, US Census Bureau.
13. Noncitizen Eligibility for Federal Public Assistance: Policy Overview (Congressional Research Service, December 12, 2016), p. 3; “Medi-Cal Eligibility and Covered California—Frequently Asked Questions,” California Department of Health Care Services; and Kristen Hwang, “California Expands Health Insurance to All Eligible Undocumented Adults,” CalMatters, December 27, 2023.
14. Noncitizen Eligibility for Federal Public Assistance: Policy Overview (Congressional Research Service, December 12, 2016), p. 2.
15. Alex Nowrasteh and Sophie Cole, “Building a Wall Around the Welfare State, Instead of the Country,” Cato Institute Policy Analysis no. 732, July 25, 2013.
16. Inadmissibility on Public Charge Grounds, 84 Fed. Reg. 41,292 (August 14, 2019).



The views expressed in this paper are those of the author(s) and should not be attributed to the Cato Institute, its directors, its Partners, or any other person or organization. Nothing in this paper should be construed as an attempt to aid or hinder the passage of any bill before Congress. Copyright © 2025 Cato Institute. This work by the Cato Institute is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.