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## **The Fiscal Impact of Refugees and Asylees Over 15 Years: Over \$123 Billion in Net Benefit from 2005 to 2019**

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Between 1990 and 2022, the United States welcomed over 2.1 million refugees and accepted over 800,000 asylees. While the purpose of granting visas to refugees and asylees is humanitarian, they do impact the United States economically. This brief summarizes the findings from a technical report estimating the fiscal impact of refugees and asylees on federal, state, and local governments from 2005 to 2019.

### **KEY POINTS**

- The net fiscal impact of refugees and asylees was positive over the 15-year period, at \$123.8 billion. This means that refugees and asylees contributed more revenue than they cost in expenditures to the government. The net fiscal benefit to the federal government was estimated at \$31.5 billion, and the net fiscal benefit to state and local governments was estimated at \$92.3 billion.
- Governmental expenditures on refugees and asylees totaled an estimated \$457.2 billion over the 15-year period. Expenditures by the federal government represented 72.5 percent of the total, at \$331.5 billion. State and local government expenditures were 27.5 percent of the total, at \$125.7 billion.
- Refugees and asylees contributed an estimated \$581 billion in revenue to federal, state and local governments. They contributed an estimated \$363 billion to the federal government through payroll, income, and excise taxes, and \$218 billion to state and local governments, through income, sales, and property taxes.
- Including refugees and asylees and their spouses and children under age 18, most of whom are U.S. citizens, expenditures totaled \$723.4 billion. Refugees, asylees, and their immediate families contributed an estimated \$739.4 billion in revenue to all levels of government.
- When compared with the total U.S. population on a per capita basis, refugees and asylees had a comparable net fiscal impact.

### **INTRODUCTION**

Between 1990 and 2022, the United States welcomed over 2.1 million refugees and accepted over 800,000 asylees (Office of Immigration Statistics, 2023). While the purpose of granting visas to refugees and asylees

is humanitarian, they do impact the United States economically. In particular, the federal, state, and local governments spend considerable resources to support the resettlement and integration of these populations in the U.S.

This brief summarizes the results from the first federal study to estimate the net fiscal impact of refugees and asylees to government (see the box for details on the populations included). The study focuses on the 15-year period from 2005 to 2019. Over the period, around three million refugees and asylees lived in the United States, representing close to one percent of the total U.S. population. The estimates are meant to inform federal decision-making on resettlement services, as well as the broader policy and research landscape on how refugees and asylees contribute to society economically.

### **Populations Included in this Study**

This study focuses on individuals who arrived in the United States since 1980 who were granted asylum or arrived under refugee status. The population includes refugees, asylees, Cuban/Haitian Entrants, and certain Special Immigrant Visa holders from Iraq and Afghanistan. For the purposes of this brief, we refer to these populations as refugees and asylees.

## **APPROACH**

### **Methods**

This study's approach is a first-order inquiry measuring actual fiscal costs expended compared with revenues collected over a specific historical period to estimate budgetary impacts to federal, state and local governments. Fiscal impact is defined simply as the revenues collected from refugees and asylees by government, minus the cost of government expenditures on refugees and asylees. The static historical approach looks at the impact over a specified period, rather than examining the impact of a cohort of individuals over time. Data limitations precluded analyses over a longer period. The analysis estimates net fiscal impacts from 2005 to 2019 and includes all refugees and asylees present in the United States over this period who had arrived since 1980.

The study includes all major sources of revenues and expenditures, with some exceptions. Revenues in this study include payroll, income, sales, and property taxes at the federal, state and local levels. Expenditures included in this study can be grouped into four categories. Refugee-specific benefits and programs are provided by the HHS Office of Refugee Resettlement, the Department of State, and the Department of Homeland Security. Social insurance benefits include Social Security, disability insurance, and Medicare parts A, B and D. Means-tested benefits include child care subsidies, health centers, Medicaid, and a range of other programs. Public education and system involvement include K-12 and post-secondary public education, child welfare services, and certain criminal justice expenditures. More details on the specific revenues and expenditures can be found in Tables 1 and 2 in the accompanying technical report.

Some revenue and expenditure sources were excluded from this analysis. In particular, public goods, such as services related to public safety, national security, interest on the national debt, parks, and assistance to foreign governments, are excluded. The use of such public goods and services by one individual theoretically does not impact use by another, and individuals cannot effectively be excluded from using such goods and services. Because refugees and asylees make up a small portion of the total U.S. population (less than one percent), it is not likely that they add substantially to the cost of these public goods at the national level. The analysis also excludes some local expenditures and revenue sources for which data are not available.

In addition to calculating costs for individual refugees and asylees, this report estimates costs for their immediate family members. The immediate family includes spouses and children under 18 who did not enter the country as refugees or asylees and who may have other immigration statuses or be native-born

or naturalized U.S. citizens. Importantly, this group does not include the adult offspring of refugees and asylees.

The analysis also compares the fiscal impact of refugees and asylees with the total U.S. population. Refugees and asylees are eligible for the same benefits as U.S. citizens, and due to their economic condition upon arrival, may be more likely to use public benefits than other Americans and U.S. residents, in addition to refugee-specific resettlement services. To compare refugees and asylees to the total U.S. population, this analysis calculates per capita revenues and expenditures. Per capita costs should not be interpreted as the average cost of a given refugee, asylee, or person residing in the United States. People participate in different programs, and contribute revenues in different ways, depending on a range of characteristics. For ease of interpretation these per capita estimates are averaged across the 15 years as annual estimates.

Data for this analysis come from a variety of sources. The primary source is the [Transfer Income Model, version 3 \(TRIM3\)](#), which generated most cost estimates and taxes paid. TRIM3 is a microsimulation model that simulates eligibility rules for government benefit programs based on person, family, and household data reported in the Current Population Survey. The model corrects for underreporting of benefit receipt and calculates tax liability based on administrative records from government programs. Other data sources include enrollment and budget documents from the relevant federal agencies. More information on the methods and data for this study can be found in the accompanying technical report.

## Limitations

This study faces several limitations. First, due to the nature of cross-sectional data, the current study does not account for actual lifetime fiscal costs of refugees and asylees even though fiscal costs and benefits change dramatically over the life course of an individual. In general, when individuals are of school age, they are a greater cost to society as consumers of public schooling who do not yet contribute revenue through income, payroll, or property taxes. In comparison, working-age adults are on average a fiscal benefit, contributing more through taxes than they consume in government outlays. The study fails to incorporate the fiscal impact of offspring after they become adults, enter the workforce, pay taxes, and eventually retire. Estimates of refugees, asylees and their immediate families are biased towards being more costly as a result. In addition, the study population excludes people entering the United States prior to the first year of the Refugee Act of 1980. Second, this study focuses on a particular 15-year period which has its own specific demographic, economic, and geopolitical characteristics, a context which may not be comparable to previous or future decades. Finally, this study does not include all expenditures and revenue sources that could reasonably be ascribed to refugees and asylees (described in the previous section).

## RESULTS

### Refugees and Asylees in the U.S. for at Least 10 Years Have Employment and Income Similar to the U.S. Population

On average, newer refugee and asylee arrivals had lower levels of income and employment, whereas those in the U.S. for at least 10 years were similar to the total U.S. population in terms of employment and household income. In an average year, among people of prime working age (age 25-64), 43 percent of refugees and asylees in the U.S. less than five years were employed full-time, compared to 57.2 percent for the total U.S. population (see Table 1). Refugees and asylees in the U.S. for at least 10 years had a full-time employment rate of 60 percent during an average year, higher than the U.S. rate.

New arrivals with less than five years of residence had a poverty rate of 33.9 percent in an average year compared to the much lower rate of 14.4 percent for those in the U.S. for 10 or more years. In comparison, the poverty rate for all persons in the U.S. was 1.1 percentage point lower at 13.2 percent in an average

year. Median income was not statistically significantly different between refugees and asylees with 10 or more years of U.S. residency (\$59,072) and all persons in the United States (\$59,002).

**Table 1. Refugee and Asylee Average Annual Population Characteristics by Years of U.S. Residency, 2005 to 2019**

	Refugees and Asylees				Total U.S. Pop
	Total	Years of U.S. Residency			Total
		0-4	5-9	10 or more	
Percentage employed full time (ages 25-64)	57.3	42.9	55.9	60.0	57.2
Percentage with family income below poverty	18.3	33.9	20.3	14.4	13.2
Median annual household income <sup>1</sup>	\$51,686	\$32,016	\$47,021	\$59,072	\$59,002

Note: The table shows percentages of the refugee and asylee population. Estimates are the sum of annual values divided by 15.

<sup>1</sup> Values expressed in 2019 dollars.

Source: ASPE analysis based on data from the Current Population Survey's Annual Social and Economic Supplement and microsimulation model TRIM3, 2005-2019. The CPS ASEC does not identify refugees and asylees directly. The current study uses the method devised by demographers Jeffrey Passel and Rebecca Clark (1998) to impute detailed immigration status based on a combination of survey-reported data and administrative records on non-citizen arrival.

## Refugees and Asylees Contributed a Net \$123 Billion to Government from 2005 to 2019

The analysis estimated that the overall net fiscal impact of refugees and asylees was positive by \$123.8 billion over the 15-year period from 2005 to 2019, meaning that refugees and asylees contributed more in revenue than they cost in expenditures to the government. The net fiscal benefit to the federal government was estimated at \$31.5 billion, and the net fiscal benefit to state and local governments was estimated at \$92.3 billion (see Table 2). The federal government spent over two and a half times as much as state and local governments on programs and services for refugees and asylees and collected relatively less revenue.

**Table 2. Expenditures, Revenues, and Net Impact for Refugees and Asylees, and their Immediate Families, 2005-2019**

	Revenue	Expenditures	Net
	<b>Refugees and Asylees</b>		
Total	\$581,009	\$457,229	\$123,781
Federal	363,040	331,539	31,501
State/Local	217,969	125,689	92,280
	<b>Refugees, Asylees, and Immediate Families</b>		
Total	\$739,401	\$723,366	\$16,035
Federal	467,450	429,995	37,455
State/Local	271,951	293,371	-21,420

Values expressed in million 2019 dollars.

Source: Current Population Survey Annual Social and Economic Supplement and microsimulation model TRIM3, and additional ASPE analysis of administrative and federal budgetary data.

When adding the immediate families of refugees and asylees into the analysis, the net impact was still positive but lower, estimated at \$16.0 billion. The net impact is lower due to services for families with children under 18, such as child care subsidies, Head Start, K-12 education, and WIC. While refugees, asylees and their immediate families provided a net benefit to the federal government, estimated at \$37.5 billion, they were a net fiscal cost to state and local governments, with the cost estimated at \$21.4 billion. The cost is due largely to expenditures for K-12 education, which increase by \$155.7 billion when adding children who are not themselves refugees or asylees. State and local governments spend substantially more on K-12 education than the federal government, and as a result, most of the increase in cost is observed at the state and local level. Importantly, the estimates including immediate families exclude adult offspring, who are likely to be working and contributing tax revenue, but due to data limitation could not be included in the analysis.

### Refugees and Asylees Had a Comparable Net Fiscal Impact as the Total U.S. Population on a Per Capita Basis

Refugees and asylees had a net fiscal impact comparable to the total U.S. population. In an average year from 2005 to 2019, refugees and asylees contributed a net of \$2,767 dollars to governments per capita (see Table 3). This compares to \$2,258 for the total U.S. population. Expenditures for the total U.S. population were on average higher than expenditures for refugees, while revenues were higher for refugees and asylees.

When considering the immediate family members of refugees and asylees, the average annual per capita impact was \$228 dollars, substantially lower than refugees and asylees alone and lower than the U.S. total population. However, this is in part due to children born in the United States to refugees and asylees over the 15-year period, and children constituted a larger share of this population (30 percent) compared with children in the U.S. population (24 percent). Given the difference in age structure between the two populations, the per capita comparison is less useful when estimating impacts for refugees, asylees and their immediate family members.

**Table 3. Average Annual Per Capita Net Fiscal Impact for Refugees, Asylees and Total U.S. Population, 2005-2019**

	Refugees and Asylees	Refugees, Asylees, and Immediate Family	Total U.S. Population
Revenues	\$12,989	\$10,498	\$12,674
Expenditures	10,222	10,270	10,416
Net	2,767	228	2,258

Values expressed in 2019 dollars.

Source: Current Population Survey Annual Social and Economic Supplement and microsimulation model TRIM3, and additional ASPE analysis of administrative and federal budget data.

## DISCUSSION

This study found that refugees and asylees had a substantial net fiscal benefit to the U.S. government over the 2005 to 2019 period, and that benefit was comparable to the total U.S. population. Refugee and asylee

resettlement efforts are part of this country's longstanding humanitarian values and traditions.<sup>1</sup> Those values are independent of the economic impact these populations have on the country. That said, resettlement efforts do come at a cost to the government. This study finds that despite those costs, over time refugees and asylees contribute more revenue than what the government spends on them. The net fiscal impact of refugees and asylees was estimated to be positive over the 15-year period, at \$123.8 billion. The net fiscal benefit to the federal government was estimated at \$31.5 billion, and the net fiscal benefit to state and local governments was estimated at \$92.3 billion.

On a per capita basis, refugees and asylees have a fiscal impact comparable to the total U.S. population. While this study focused exclusively on the impact on government budgets, this finding suggests that refugees and asylees bring revenue into the U.S. economy. The results also indicate that resettlement efforts, whether through specific resettlement programs or the broader safety net, are effective in supporting economic integration. Still, opportunities to improve services for refugees and asylees should not be ignored. More research is needed to understand which specific services are most effective, particularly for different refugee and asylee populations. HHS has several ongoing efforts to improve our understanding of service effectiveness for refugees and asylees, including collecting more comprehensive data on program participation and service needs.<sup>2</sup>

Importantly, this study focuses on people granted asylum and refugees entering the U.S. since 1980 and served by the HHS Office of Refugee Resettlement. The findings do not cover individuals present in the United States earlier than 1980 or people with other immigration statuses. The findings should not be assumed to extend to these other populations. The populations included in this report are eligible for benefits programs and are provided with resettlement services that increase the likelihood of positive economic outcomes. The fiscal impact of people entering the U.S. who are not granted asylum and do not have refugee status is likely different from what is estimated in this analysis.

Refugees and asylees themselves are important contributors to the rich cultural and social life of the United States<sup>3</sup> and also to national, state and local economies. The U.S. government at all levels, including federal, state and local, plays a critical role in welcoming them, and helping new arrivals establish a strong foundation to integrate into the economy. This study demonstrates that the investment generates economic returns, with refugees and asylees contributing over \$123 billion to the government from 2005 to 2019.

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<sup>1</sup> See Norman Zuckers. 1981. "The Voluntary Agencies and Refugee Resettlement in the United States" in Appendix C, [Staff Report on the Select Commission on Immigration and Refugee Policy Papers](#), Papers on Refugees. See also: Archives of the Obama White House at: <https://obamawhitehouse.archives.gov/blog/2015/11/13/welcoming-open-arms-continuing-american-tradition>

<sup>2</sup> The Office of Refugee Resettlement directs the [Annual Survey of Refugees \(ASR\)](#) to study and understand refugees' progress during their initial five years after arrival. Key ASR findings are included in [ORR's Annual Report to Congress](#). In the spring of 2020, ORR completed its 53rd Annual Survey of Refugees (ASR). The data show the progress refugee families have made towards learning English, participating in the workforce, and establishing permanent residence. Public use data is available for the 2019 ASR with future years likely to be added to the [ICPSR archive](#).

<sup>3</sup> See, for example, "25 Great Books by Refugees in America." 2017 at <https://www.nytimes.com/2017/01/30/books/review/25-great-books-by-refugees-in-america.html>; see also "5 Refugees Who Changed Modern American History." 2018 at <https://time.com/5316016/important-american-refugees/>; see also Carl J. Bon Temp 2008. *Americans at the Gate*. Politics and Society in Modern America series. Princeton University Press; see also Susan Hartman. (2022). *City of Refugees: The Story of Three Newcomers Who Breathed Life into a Dying American Town*. Beacon Press.

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