Unauthorized Immigration and Local Government Finances

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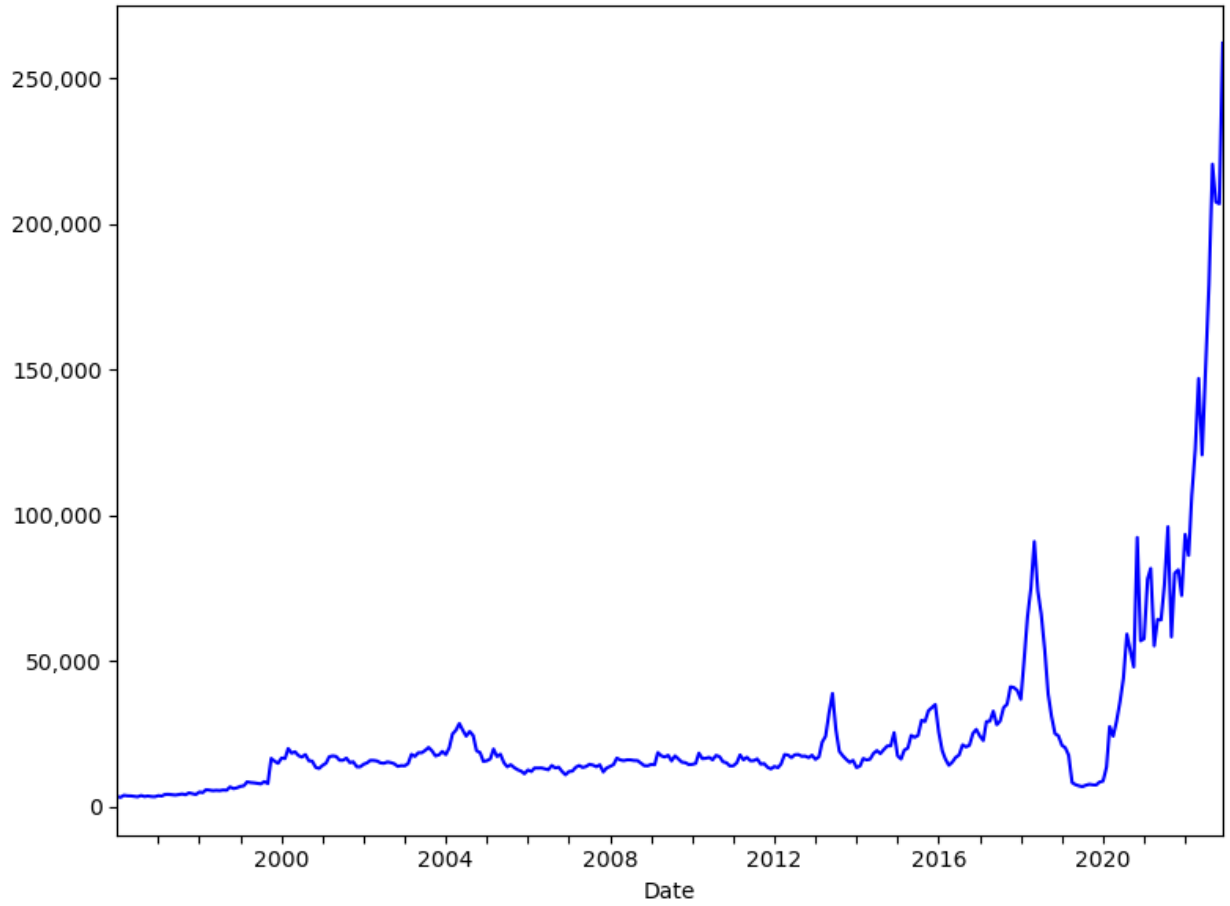
Recent unauthorized immigration to the U.S. is unprecedented

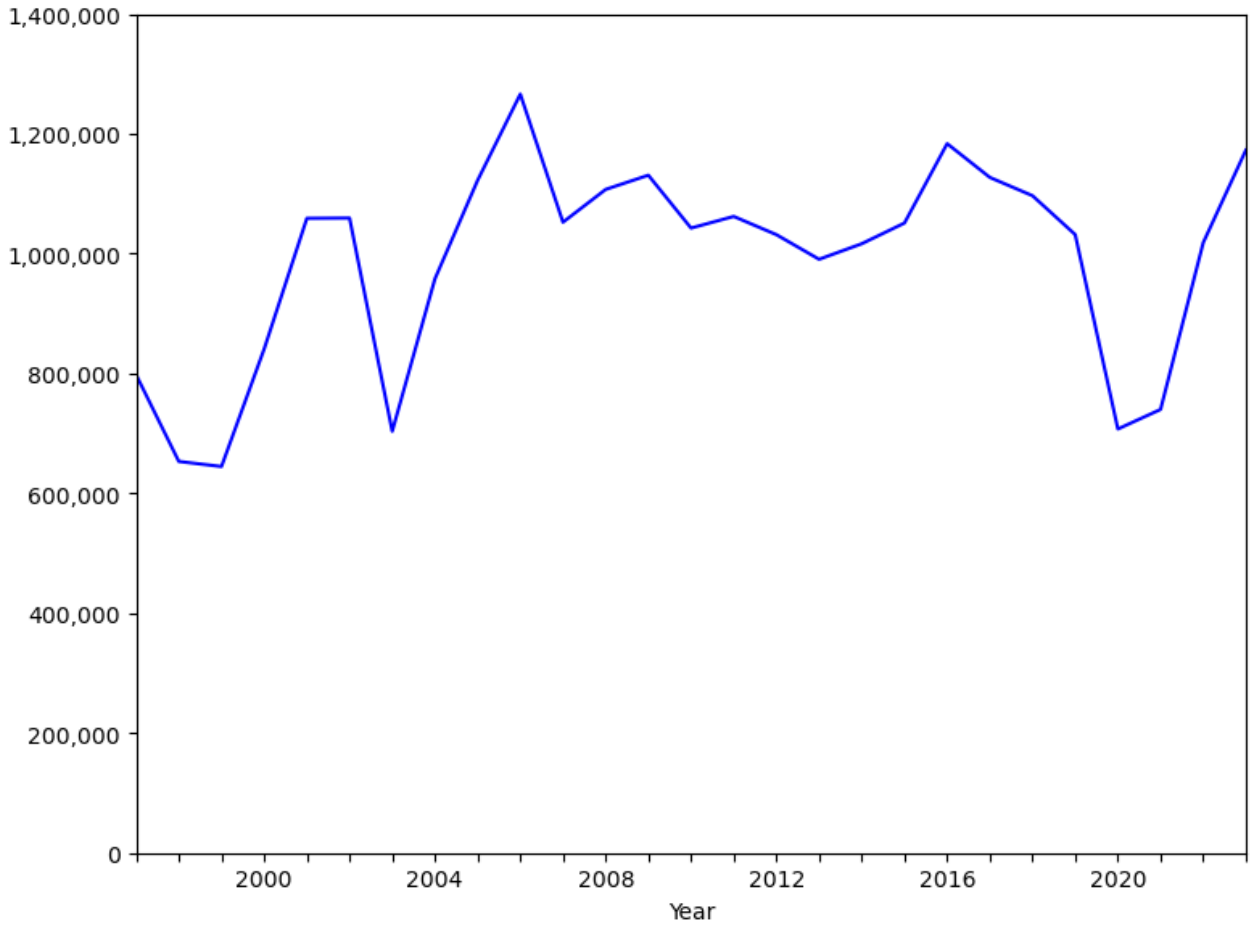
- Border Patrol agents arrested over 10,000 unauthorized immigrants per day in late 2023
- Monthly "Notice to Appear" data from Syracuse TRAC
- Individuals given NTA in immigration court, backdated to the disclosed time of initial entry to the U.S.
- Issued by Homeland Security to noncitizens believed to have violated laws and thus to be deported



Legal immigration is relatively stable

- Annual legal immigration to the U.S.

  Source: Department of Homeland Security 2023 Yearbook of Immigration Status



We study the effects of unauthorized immigration (UI) on local fiscal health

- Like legal immigration, UI may stimulate economic growth
- Legal immigration:
  - Net job creation (Card 2005; Hong and McLaren 2015)
  - Entrepreneurship (Azoulay, et al. 2022)
  - Innovation (Bernstein, et al. 2022, Burchardi, et al. 2024)
  - TFP (Peri 2012)
  - Foreign investment and trade (Burchardi, et al. 2019; Cohen, et al. 2017)
  - Economic growth (Borjas 1995, Blau and Mackie 2017, Sequeira, et al. 2020)
  - Lower municipal bond yields (Zimmerschied 2024)
- UI may strain public resources
  - Barriers to formal economic participation
  - May require public support

The New York Times

More Cities Feel Strain as Migrants Move In Seeking Better Prospects

After aid runs out elsewhere, some migrants relocate to places like Salt Lake City, where they find help but hurdles, too. "Consider another state," says a flier distributed by Utah.

By Miriam Jordan
Reporting in Midvale, West Jordan and Salt Lake City, Utah.

June 17, 2024

The bright orange fliers from the State of Utah were blunt.

"There is no room in shelters," the advisory warns migrants contemplating travel to Utah. "No hotels for you."

It continues: "Housing is hard to find and expensive. Food banks are at capacity."

Confronted with a swelling number of migrants who have strained its resources, Utah in recent days has begun urging newcomers at the border and in the United States to "consider another state."

It is the latest sign of the challenges facing migrants and the communities where they hope to settle. As more people leave their initial destinations in search of better work and stable housing, more cities and towns are struggling to keep up.

By the time Utah began warning migrants not to come, Carmen Selene and Cleodis Alvorado were already here, along with thousands of other migrants who have made their way to Utah in recent months from other U.S. cities.

THE WALL STREET JOURNAL.

Migrants Stretch Resources in Cities Near and Far From Southern Border

A major dilemma is finding beds for the new arrivals, many of whom were released by authorities after they entered the U.S. to claim asylum

By Jimmy Vielkind Follow *in Newburgh, N.Y., Alicia A. Caldwell* Follow *in El Paso, Texas, and Joe Barrett* Follow *in Chicago*
May 20, 2023 5:30 am ET

An influx of migrants arriving in several American cities is straining budgets and shelter resources, inflaming political tensions and sparking fights over who should pay to accommodate them.

A major dilemma is finding beds for the new arrivals, many of whom were released by federal authorities after entering the U.S. illegally to claim asylum. In New York City, "asylum seekers are now approaching half the folks in the shelter system, and therefore half the cost of the shelter system," said Comptroller Brad Lander, a Democrat.

The situation represents the next wave of the migrant crisis. Border cities such as El Paso, where one shelter served 250% more people last year than before the pandemic, feel the impact of migrant arrivals first. Then migrants often travel to other communities around the U.S., where some rely on emergency shelter from local governments or aid groups.

"These people are here, and if you don't take care of them, they're going to become the homeless," said Appaswamy "Vino" Pajanor, chief executive of Catholic Charities San Diego.

New arrivals won't be allowed to legally work until several months to more than a year after they have filed an asylum application in immigration court. But migrants have long been able to find jobs in the underground economy.

Data sources

- Syracuse Transactional Records Access Clearinghouse (1991 – 2025)
- World Bank
  - Push factors in immigrant-supplying countries
- Census ACS
  - Preexisting foreign-born country of origin and population
  - Socioeconomic conditions
  - County-year observations
- BLS
  - Monthly unemployment rate and labor force participation
- Willamette (Census) government finance data
  - Local expenditures and revenues
- Mergent Municipal Bond Database, IPREO, MSRB EMMA
- Bloomberg and Refinitiv
  - Treasury strips

Challenge 1. Measuring unauthorized immigration

- We use NTA data from the Syracuse Transactional Records Access Clearinghouse (TRAC)

Challenge 2. Identification: Immigrants do not choose when or where to settle at random

- “Pull” factors such as job prospects incentivize immigration
- Step 1: Model immigration with “push” factors
- Step 2: Predict immigrants’ locations with shift-share (Bartik) IV based on pre-existing populations from source countries

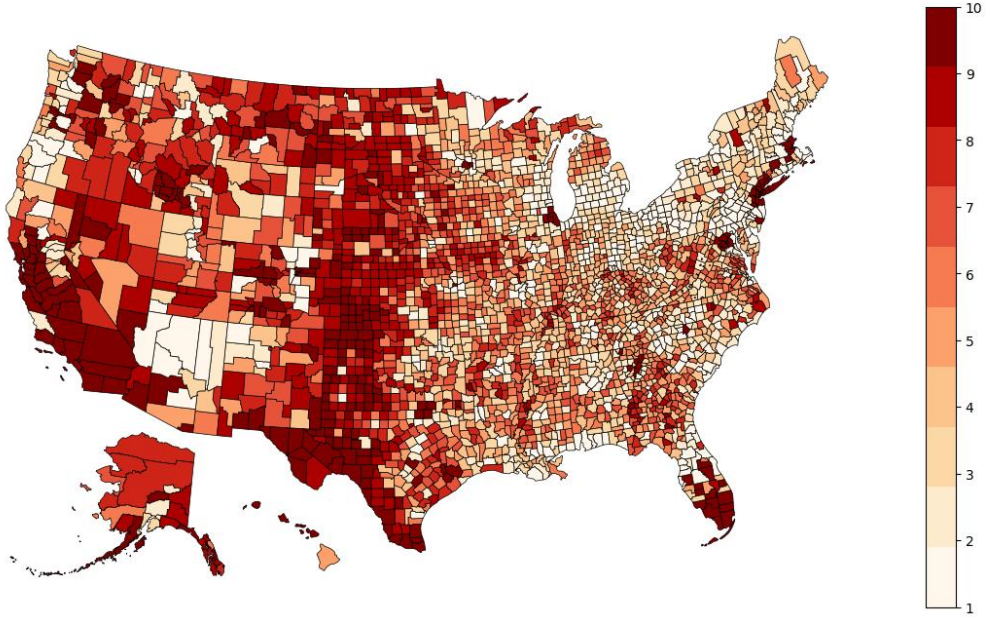
Step 1. Model immigration with source-country characteristics

- Data from World Bank for top 20 immigrant-supplying countries
- Specifications 7 and 8 use data from previous three years

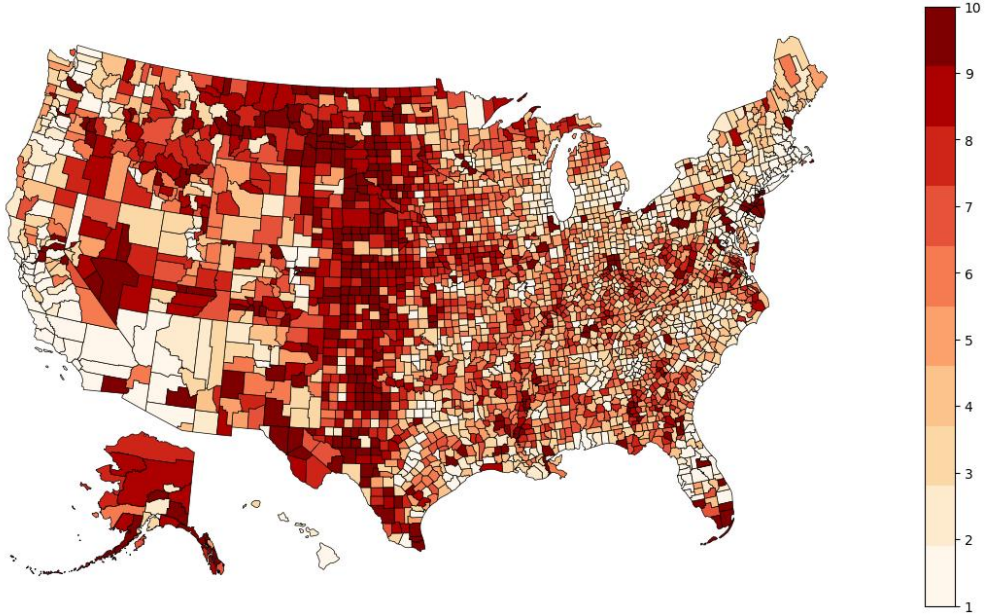
X vars:	Same year		Previous year		Previous 2 years		Previous 3 years	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	12.62***	11.17**	14.64**	10.62*	17.95***	14.35**	19.95***	15.62**
	(4.82)	(4.70)	(6.40)	(5.97)	(6.43)	(6.22)	(7.05)	(6.41)
Death rate	0.18	0.12	0.58***	-0.03	0.41**	-0.03	0.60***	-0.24
	(0.14)	(0.20)	(0.20)	(0.24)	(0.19)	(0.26)	(0.23)	(0.27)
GDP growth	0.11***	0.07***	0.07**	0.03	0.19***	0.08*	0.21***	0.02
	(0.02)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.07)	(0.07)
Inflation	0.08***	0.04***	0.09***	0.01	0.10***	0.03**	0.05*	0.01
	(0.02)	(0.01)	(0.03)	(0.01)	(0.02)	(0.01)	(0.03)	(0.01)
Labor force participation	-0.07	-0.05	-0.16*	-0.03	-0.19*	-0.08	-0.23**	-0.08
	(0.08)	(0.07)	(0.10)	(0.09)	(0.10)	(0.10)	(0.11)	(0.10)
Stability percentile	-0.06**	-0.05***	-0.04	-0.03	-0.08***	-0.06**	-0.08**	-0.04
	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.04)	(0.03)
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	No	Yes	No	Yes	No	Yes	No	Yes
Adj. R-sq	0.85	0.89	0.73	0.85	0.76	0.86	0.70	0.84

Step 2. Predict immigrant destinations with pre-existing foreign-born share of population from the same country

- Foreign-born population from U.S. Census ACS 5-year Surveys 2010-2022



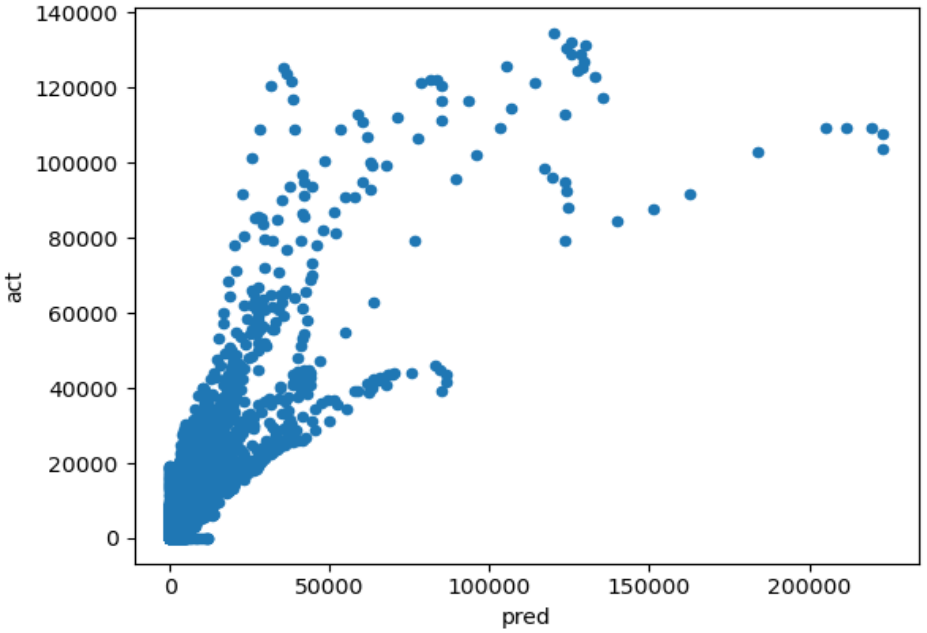
- Unauthorized immigration rate (relative to population) from Syracuse TRAC NTAs 2010-2022



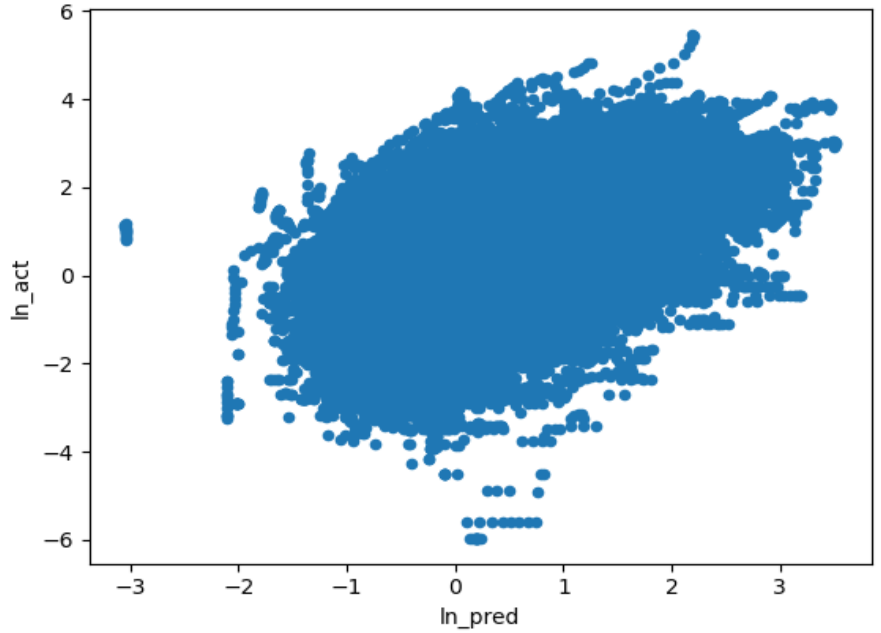
Validation exercise: Pre-existing populations from same country explain arrivals

- Predicted values from a shift-share measure (x-axis) explain actual immigration in the NTA data (y-axis). **R-squared = 87%:**

$$Shiftshare\ prediction_{j,t} = \sum_i Unauthorized\ immigration_{i,t} \times FBShare_{i,j,t-1} \qquad (county\ j,\ country\ i,\ year\ t)$$



Raw data



Data demeaned by country

We examine spreads to duration-matched treasuries on new muni issues

- *Within-month* comparisons control for time-varying enforcement at the federal level

Quintiles

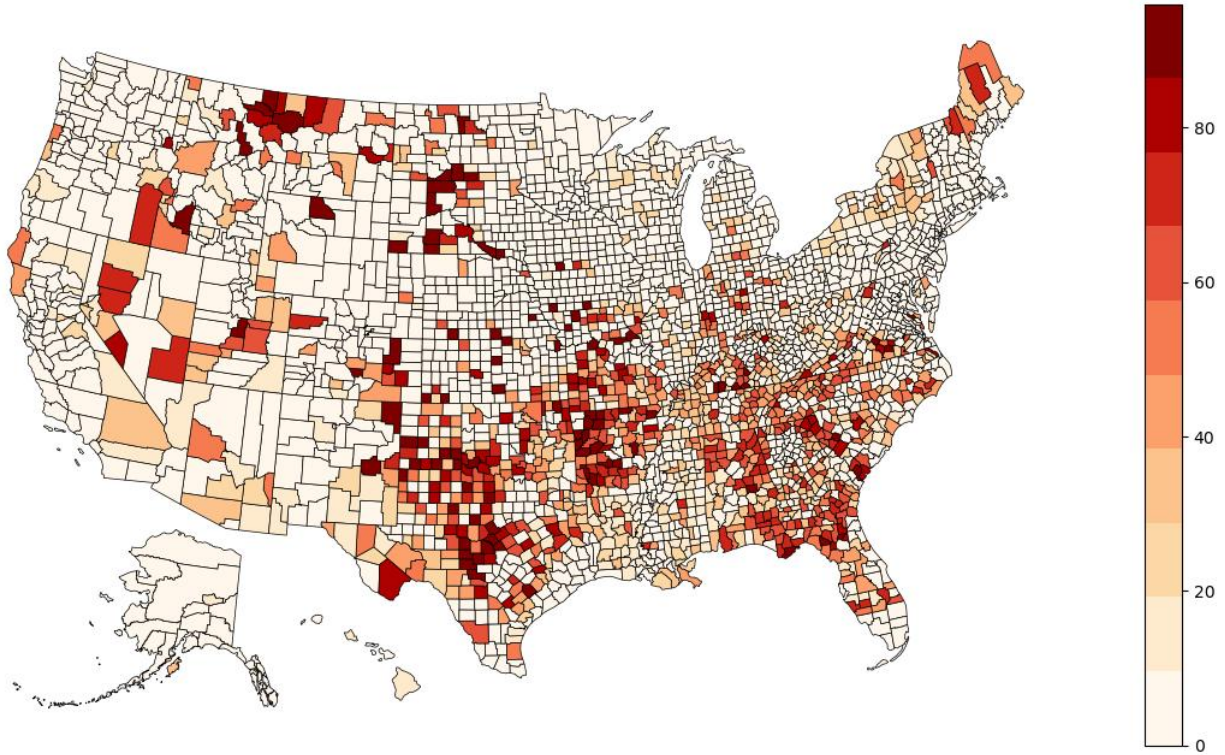
Issuer:	ALL ISSUERS			CITY ISSUERS			COUNTY ISSUERS		
Bond type:	ALL	GO	REV	ALL	GO	REV	ALL	GO	REV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pred. imm. quint. 2	0.0187	0.0274*	0.0113	0.0213	0.0274	0.0172	0.0113	0.0321	-0.0166
	(0.0119)	(0.0161)	(0.0202)	(0.0142)	(0.0181)	(0.0274)	(0.0219)	(0.0300)	(0.0344)
Pred. imm. quint. 3	0.0172	0.0141	0.0325	0.0191	0.0163	0.0332	0.00974	0.0248	-0.00796
	(0.0134)	(0.0178)	(0.0229)	(0.0161)	(0.0205)	(0.0293)	(0.0249)	(0.0322)	(0.0410)
Pred. imm. quint. 4	0.0111	0.0109	0.0246	0.0209	0.0213	0.0266	0.0103	0.0225	0.00394
	(0.0150)	(0.0201)	(0.0245)	(0.0185)	(0.0242)	(0.0317)	(0.0274)	(0.0351)	(0.0468)
Pred. imm. quint. 5	0.0137	0.0197	0.0183	0.0334*	0.0316	0.0494	0.00284	0.0373	-0.0445
	(0.0165)	(0.0223)	(0.0264)	(0.0202)	(0.0262)	(0.0349)	(0.0320)	(0.0402)	(0.0527)
Bond controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
County controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
Year-Month FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
Issuer FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
N	1,034,693	612,428	422,122	560,323	355,401	204,812	250,616	165,508	85,080
Adj. R-sq	0.753	0.763	0.740	0.764	0.756	0.779	0.788	0.786	0.795

Continuous

Issuer:	ALL			CITY			COUNTY		
Bond type:	ALL	GO	REV	ALL	GO	REV	ALL	GO	REV
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
Pred. imm. pct	-4.374	4.883	-8.020	-3.819	-9.617	15.62	20.07**	27.94***	-9.338
	(8.777)	(12.80)	(11.43)	(8.363)	(12.14)	(12.41)	(8.516)	(7.295)	(19.25)
Bond controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
County controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
Issuer FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
N	1,034,693	612,428	422,122	560,323	355,401	204,812	250,616	165,508	85,080
Adj. R-sq	0.753	0.763	0.740	0.764	0.756	0.779	0.788	0.786	0.795

We examine the interaction between unauthorized immigration and labor market characteristics

- Much of the immigration literature focuses on labor market effects
- Structurally tight labor markets have:
  - Unemployment rate over previous 2 years < sample mean (5.6%)
  - Labor force per capita over previous 2 years < sample mean (46.8%)



Unauthorized immigration explains higher muni yields in typical labor markets; lower yields in tight labor markets

- Esp. for city issuers
- Similar results for GO and revenue bonds

Issuer:	ALL ISSUERS			CITY ISSUERS			COUNTY ISSUERS		
Bond type:	ALL	GO	REV	ALL	GO	REV	ALL	GO	REV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Structurally tight	0.0555***	0.0573**	0.0346	0.0751***	0.0654**	0.0870*	0.0603*	0.0341	0.110*
	(0.0206)	(0.0242)	(0.0365)	(0.0261)	(0.0299)	(0.0495)	(0.0365)	(0.0441)	(0.0662)
Pred. imm. quint. 2	0.0287**	0.0361**	0.0128	0.0378**	0.0369*	0.0456	0.0167	0.0329	-0.0196
	(0.0137)	(0.0181)	(0.0244)	(0.0156)	(0.0196)	(0.0303)	(0.0250)	(0.0362)	(0.0386)
Pred. imm. quint. 3	0.0365**	0.0329*	0.0423	0.0426**	0.0323	0.0647*	0.0297	0.0395	0.0199
	(0.0150)	(0.0194)	(0.0267)	(0.0177)	(0.0219)	(0.0336)	(0.0267)	(0.0369)	(0.0460)
Pred. imm. quint. 4	0.0330**	0.0313	0.0427	0.0508**	0.0418	0.0711**	0.0307	0.0303	0.0447
	(0.0165)	(0.0217)	(0.0276)	(0.0200)	(0.0257)	(0.0352)	(0.0295)	(0.0394)	(0.0508)
Pred. imm. quint. 5	0.0394**	0.0418*	0.0419	0.0693***	0.0575**	0.100***	0.0230	0.0465	-0.00874
	(0.0177)	(0.0238)	(0.0287)	(0.0217)	(0.0276)	(0.0381)	(0.0334)	(0.0441)	(0.0559)
Tight × PI quint. 2	-0.0329	-0.0318	-0.000578	-0.0543*	-0.0402	-0.0681	-0.0150	0.00391	-0.0125
	(0.0231)	(0.0286)	(0.0420)	(0.0291)	(0.0360)	(0.0556)	(0.0404)	(0.0500)	(0.0752)
Tight × PI quint. 3	-0.0684***	-0.0714**	-0.0312	-0.0750**	-0.0627*	-0.0698	-0.0637	-0.0453	-0.0996
	(0.0237)	(0.0278)	(0.0421)	(0.0297)	(0.0356)	(0.0556)	(0.0418)	(0.0488)	(0.0742)
Tight × PI quint. 4	-0.0785***	-0.0760***	-0.0659*	-0.102***	-0.0813**	-0.125**	-0.0657	-0.0236	-0.142**
	(0.0224)	(0.0267)	(0.0394)	(0.0282)	(0.0328)	(0.0533)	(0.0400)	(0.0482)	(0.0713)
Tight × PI quint. 5	-0.0961***	-0.0862***	-0.0862**	-0.130***	-0.109***	-0.148**	-0.0663*	-0.0293	-0.125*
	(0.0237)	(0.0271)	(0.0401)	(0.0304)	(0.0319)	(0.0574)	(0.0394)	(0.0467)	(0.0687)
Bond Controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
County Controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
Year-Month FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
County FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
N	1,034,693	612,428	422,122	560,323	355,401	204,812	250,616	165,508	85,080
Adj. R-sq	0.753	0.764	0.740	0.765	0.756	0.779	0.788	0.786	0.795

Typical

Tight

Unauthorized immigration explains higher muni yields in "sanctuary" jurisdictions

- Esp. for city issuers

	Issuer:	ALL ISSUERS			CITY ISSUERS			COUNTY ISSUERS		
	Bond type:	ALL	GO	REV	ALL	GO	REV	ALL	GO	REV
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Sanctuary	-0.0950**	-0.0960	-0.153***	-0.160***	-0.229***	-0.0521	-0.128	-0.130	-0.204**
		(0.0480)	(0.0620)	(0.0489)	(0.0528)	(0.0753)	(0.0633)	(0.0932)	(0.110)	(0.0998)
Typical	Pred. imm. quint. 2	0.0171	0.0262	0.00914	0.0204	0.0243	0.0173	0.00798	0.0313	-0.0197
		(0.0122)	(0.0167)	(0.0206)	(0.0145)	(0.0187)	(0.0275)	(0.0223)	(0.0309)	(0.0344)
	Pred. imm. quint. 3	0.0116	0.00663	0.0274	0.0151	0.00869	0.0337	0.00317	0.0175	-0.00983
		(0.0136)	(0.0183)	(0.0226)	(0.0164)	(0.0209)	(0.0296)	(0.0256)	(0.0332)	(0.0413)
	Pred. imm. quint. 4	0.0118	0.00858	0.0241	0.0145	0.00887	0.0300	0.0129	0.0220	0.0121
		(0.0153)	(0.0206)	(0.0247)	(0.0185)	(0.0241)	(0.0320)	(0.0280)	(0.0359)	(0.0494)
	Pred. imm. quint. 5	0.00765	0.0143	0.00870	0.0245	0.0181	0.0515	-0.00480	0.0250	-0.0392
		(0.0173)	(0.0233)	(0.0271)	(0.0210)	(0.0270)	(0.0356)	(0.0329)	(0.0416)	(0.0551)
Sanctuary	Sanctuary × PI quint. 2	0.0409	0.0336	0.0774	0.0252	0.0793	-0.0193	0.0651	0.000324	0.359***
		(0.0455)	(0.0583)	(0.0613)	(0.0434)	(0.0650)	(0.164)	(0.0967)	(0.111)	(0.135)
	Sanctuary × PI quint. 3	0.0826*	0.0949	0.107*	0.127**	0.204***	-0.00250	0.0931	0.0718	0.200*
		(0.0499)	(0.0621)	(0.0605)	(0.0553)	(0.0762)	(0.0878)	(0.0958)	(0.111)	(0.109)
	Sanctuary × PI quint. 4	0.0520	0.0727	0.0852	0.142**	0.231***	-0.0208	0.0479	0.0251	0.159
		(0.0506)	(0.0638)	(0.0549)	(0.0592)	(0.0792)	(0.0736)	(0.0945)	(0.113)	(0.104)
	Sanctuary × PI quint. 5	0.0780	0.0857	0.118**	0.154***	0.235***	-0.0130	0.102	0.0975	0.166
		(0.0490)	(0.0624)	(0.0521)	(0.0544)	(0.0763)	(0.0690)	(0.0951)	(0.112)	(0.104)
	Bond Controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
	County Controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Year-Month FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
	County FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
	N	1,034,693	612,428	422,122	560,323	355,401	204,812	250,616	165,508	85,080
	Adj. R-sq	0.753	0.763	0.740	0.764	0.756	0.779	0.788	0.786	0.795

Unauthorized immigration explains higher future unemp and labor force participation; slack in labor markets

- Especially in tight labor markets and sanctuary jurisdictions

	Unemployment rate t+1			Labor force per capita t+1			Tight t+1		
Categorical variable:	---	Tight	Sanctuary	---	Tight	Sanctuary	---	Tight	Sanctuary
Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Category (tight/sanctuary)		0.0273	0.160**		-0.751	-0.841		-0.104***	0.0323
		(0.0329)	(0.0766)		(0.491)	(0.705)		(0.0173)	(0.0290)
Pred. imm. quint. 2	0.0186	0.00519	0.0166	-0.594	-0.757	-0.583	-0.00213	0.0112	-0.00549
	(0.0226)	(0.0261)	(0.0232)	(0.473)	(0.558)	(0.495)	(0.0110)	(0.0117)	(0.0114)
Pred. imm. quint. 3	-0.00281	-0.0225	-0.0170	-0.846	-1.014	-0.862	0.00410	0.0223*	0.00515
	(0.0277)	(0.0314)	(0.0286)	(0.701)	(0.798)	(0.727)	(0.0128)	(0.0135)	(0.0132)
Pred. imm. quint. 4	0.0396	-0.00504	0.0166	-1.106	-1.383	-1.144	-0.0242	0.00181	-0.0204
	(0.0325)	(0.0356)	(0.0332)	(1.089)	(1.251)	(1.151)	(0.0148)	(0.0154)	(0.0154)
Pred. imm. quint. 5	0.0853**	0.00623	0.0407	-0.712	-0.907	-0.750	-0.0240	0.0155	-0.0123
	(0.0394)	(0.0430)	(0.0403)	(1.105)	(1.223)	(1.152)	(0.0177)	(0.0182)	(0.0182)
Category × PI quint. 2		0.0557	0.0622		0.654*	-0.144		-0.0549**	0.0440
		(0.0363)	(0.0782)		(0.362)	(0.461)		(0.0218)	(0.0322)
Category × PI quint. 3		0.0843**	0.266***		0.677*	0.106		-0.0782***	-0.00770
		(0.0390)	(0.0834)		(0.410)	(0.525)		(0.0219)	(0.0356)
Category × PI quint. 4		0.167***	0.388***		1.058*	0.255		-0.0963***	-0.0360
		(0.0404)	(0.0952)		(0.636)	(0.776)		(0.0217)	(0.0358)
Category × PI quint. 5		0.285***	0.615***		0.780	0.284		-0.147***	-0.117***
		(0.0491)	(0.108)		(0.491)	(0.672)		(0.0236)	(0.0378)
County FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y	Y
N	25,733	25,733	25,733	25,733	25,733	25,733	25,733	25,733	25,733
Adj. R-sq	0.880	0.880	0.881	0.668	0.668	0.668	0.515	0.529	0.515

Unauthorized immigration predicts higher municipal expenditures

- E.g., welfare and welfare institutions expenditures
- Similar results for construction and capital outlays, education expenditures, law enforcement expenditures

	Public welf cash asst		Welf categ total exp		Welf categ cash assist		Welf categ ig to state	
Horizon:	1-year	2-year	1-year	2-year	1-year	2-year	1-year	2-year
Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pred. imm. quint. 2	-0.002	-0.007	-0.029	-0.026	-0.027	-0.026	-0.009	0.000
	(0.030)	(0.026)	(0.028)	(0.024)	(0.028)	(0.024)	(0.007)	(0.003)
Pred. imm. quint. 3	-0.014	0.011	-0.022	-0.013	-0.022	-0.014	-0.007	0.001
	(0.037)	(0.028)	(0.036)	(0.030)	(0.035)	(0.030)	(0.013)	(0.004)
Pred. imm. quint. 4	-0.000	0.009	0.045	0.023	0.044	0.024	0.024*	0.007*
	(0.044)	(0.034)	(0.040)	(0.032)	(0.039)	(0.032)	(0.014)	(0.004)
Pred. imm. quint. 5	0.103*	0.037	0.103**	0.042	0.095*	0.042	0.038***	0.008**
	(0.056)	(0.046)	(0.049)	(0.045)	(0.048)	(0.045)	(0.015)	(0.004)
County FE?	Y	Y	Y	Y	Y	Y	Y	Y
Year FE?	Y	Y	Y	Y	Y	Y	Y	Y
N	25,090	25,090	25,090	25,090	25,090	25,090	25,090	25,090
R-squared	0.803	0.945	0.724	0.859	0.711	0.842	0.830	0.975

Unauthorized immigration has little effect on future municipal revenues

	Total revenue		Total taxes		Property tax		Total select sales tax	
Horizon:	1-year	2-year	1-year	2-year	1-year	2-year	1-year	2-year
Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pred. imm. quint. 2	0.001	-0.002	0.000	0.002	0.006	0.006	0.004	-0.016
	(0.005)	(0.005)	(0.006)	(0.006)	(0.007)	(0.006)	(0.033)	(0.031)
Pred. imm. quint. 3	0.001	-0.002	0.008	0.004	0.009	0.004	-0.030	-0.052
	(0.007)	(0.007)	(0.008)	(0.008)	(0.009)	(0.008)	(0.039)	(0.037)
Pred. imm. quint. 4	0.004	0.001	0.004	0.003	0.005	0.003	-0.070*	-0.091**
	(0.007)	(0.007)	(0.009)	(0.009)	(0.009)	(0.009)	(0.041)	(0.039)
Pred. imm. quint. 5	0.007	0.002	0.000	-0.001	0.003	-0.001	-0.101**	-0.124***
	(0.010)	(0.010)	(0.011)	(0.011)	(0.011)	(0.011)	(0.049)	(0.047)
County FE?	Y	Y	Y	Y	Y	Y	Y	Y
Year FE?	Y	Y	Y	Y	Y	Y	Y	Y
N	25,090	25,090	25,090	25,090	25,090	25,090	25,090	25,090
R-squared	0.995	0.996	0.994	0.996	0.994	0.995	0.935	0.953

Conclusion: Unauthorized immigration explains higher yields in typical labor markets

- Explains lower muni yields in tight labor markets
- Explains higher muni yields in sanctuary jurisdictions
- Leads to higher unemployment
- Relieves labor market tightness in previously-tight markets
- Explains higher expenditures on public resources such as welfare, education, and law enforcement
- Higher expenditures not offset by higher revenues

Thank you

Literature

- Legal immigration has generally positive economic effects
  - Create more jobs than they take (Card 2005; Hong and McLaren 2015)
  - Entrepreneurship (Azoulay, et al. 2022)
  - Innovation (Bernstein, et al. 2022, Burchardi, et al. 2024)
  - TFP (Peri 2012)
  - Foreign investment and trade (Burchardi, et al. 2019; Cohen, et al. 2017)
  - Economic growth (Borjas 1995, Blau and Mackie 2017, Sequeira, et al. 2020)
  - Municipal bond yields (Zimmerschied 2024)
- Economic challenges
  - Card 2007; Smith 2012; Ottaviano and Peri 2012; Borjas 2015; Lewis and Peri 2015; Hanson 2009; Doran et al. 2022
  - Lower wages in immigrant-intensive services (Cortes 2008)
- Little direct evidence on unauthorized immigration