

STRENGTHEN SOCIAL SECURITY

...don't cut it.

Donald Trump's Decision to End Deferred Action for Childhood Arrivals ("DACA") and His Other Anti-Immigrant Policies Hurt Social Security Enormously

- Immigration is a crucial source of Social Security financing.
 - The Chief Actuary of the Social Security Administration explained its importance in 2015 testimony before the Senate Committee on Homeland Security and Governmental Affairs:¹

“Immigration has played a fundamental role in the growth and evolution of the U.S. population and will continue to do so in the future....Without...net immigration, the effects of the drop in birth rates after 1965 would be much more severe for the finances of Social Security, Medicare, and for retirement plans in general. Because immigrants into the U.S. are generally young, they increase the ratio of working age population to retirement age population in much the same way as do births.”
 - Those advocating cuts to Social Security often point to the aging of the population. Because immigrants are younger, they offset that trend.
- Reduced immigration substantially harms Social Security.
 - Ending DACA would reduce Social Security contributions by **\$33.1 billion** over a decade.²
 - In addition to ending DACA, Trump has proposed policies that would cut net immigration in half.³
 - If immigration were cut in half, Social Security would lose around **\$2.4 trillion** over the next 75 years.⁴
- Increased immigration substantially benefits Social Security.
 - If immigration were doubled, Social Security would gain around **\$5 trillion** over the next 75 years.⁴
 - Contrary to common belief, undocumented workers benefit Social Security.

- The Social Security Administration (SSA) estimated that unauthorized immigrants were responsible for a \$12 billion revenue increase for Social Security in 2010 alone.⁵
- Increased immigration makes expanding Social Security much more affordable. The increased revenue that Social Security would gain from doubling immigration is about:
 - Two and three quarters times larger than the cost of switching to the more accurate Consumer Price Index for the elderly.⁶
 - Four and a half times larger than the cost of providing Social Security wage credits to stay-at-home parents.⁶
 - One and a third times larger than the cost of giving all current and future beneficiaries a five percent increase starting today.⁶
 - Nine and a third times larger than the cost of providing an additional five percent increase to all beneficiaries when they reach age 85, starting today.⁶
 - Seventeen times larger than the cost of restoring student benefits for those aged 18 to 22, whose working parents have died or become disabled.⁶

¹Goss, Steven, “Financial Implications for the Social Security Trust Funds of the President’s Executive Actions on Immigration, Announced November 20, 2014,” Testimony to the Senate Committee on Homeland Security and Governmental Affairs, February 4, 2015. https://www.ssa.gov/oact/testimony/SenateHomeSec_20150204.pdf

²Magaña-Salgado, Jose, “Draining the Trust Funds: Ending DACA and the Consequences to Social Security and Medicare,” Immigrant Legal Resource Center, October 2017. <https://www.ilrc.org/report-daca-economic-cost>

³Baker, Peter, “Trump Supports Plan to Cut Legal Immigration by Half,” New York Times, August 2, 2017. <https://www.nytimes.com/2017/08/02/us/politics/trump->

⁴Calculations made by Social Security Works President Nancy Altman, in consultation with the Office of the Chief Actuary of the Social Security Administration (SSA), August 2017. The [2017 Trustees Report](#) projects, as its intermediate assumption, that annual net immigration over the next 75 years will average 1,286,000, and states, "Increasing average annual net immigration by 100,000 persons improves the long-range actuarial balance by about 0.08 percent of taxable payroll." Consequently, halving immigration costs Social Security 0.51 percent of taxable payroll and doubling immigration generates 1.03 percent of taxable payroll. The Report projects the present value of taxable payroll over the next 75 years as \$469.6 trillion. Therefore, 0.51 percent of taxable payroll equals \$2.42 trillion and 1.03 percent of taxable payroll is \$4.83 trillion. The calculations assume that the same age distribution, work force participation and the other factors underlying the Trustees Report numbers remain the same and that the change is linear, which the Office of the Chief Actuary thought were reasonable assumptions, though they had not themselves tested them.

⁵Stephen Goss, Alice Wade, J. Patrick Skirvin, Michael Morris, K. Mark Bye, and Danielle Huston, “Effects of Unauthorized Immigration on the Actuarial Status of the Social Security

Trust Funds,” Social Security Administration, April 2013.

https://www.ssa.gov/oact/NOTES/pdf_notes/note151.pdf

⁶For the comparisons, the percent of taxable payroll of the various proposals are on the website of the Office of the Chief Actuary ([ssa.gov/oact](https://www.ssa.gov/oact)), and are, as follows, in the order of the bullets: (1) Switching to the CPI-E costs 0.39 percent of taxable payroll; (2) child care credits cost 0.23 percent of taxable payroll; (3) a five percent across-the-board increase costs 0.77 percent of taxable payroll; (4) the increase at age 85 costs 0.11 percent of taxable payroll; and (5) restoring the student benefit costs 0.06 percent of taxable payroll.