Proposal for RDRCs21 Retirement and Disability Research Center

Trust Fund Implications of Immigrant Attachment: Lessons from IRCA

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Immigrants today constitute nearly 14% of the U.S. population – a level not seen since the early 20th century. While the immigrant population continues to grow, immigrants vary a great deal in how attached they are to the U.S. While some live in the shadows, others are in the U.S. on temporary visas if not on a more permanent basis, either as lawful permanent residents (LPRs) or naturalized citizens. Changes in the distribution of attachment, so defined, arguably feed back into the age structure, economic stature, and OASDI eligibility of immigrants as a group, with implications for Trust Fund projections.

We propose to inform the demographic and economic assumptions underlying Trust Fund projections by studying the SSA profiles of immigrants who received LPR status – or a Green Card – under programs established by the Immigration Reform and Control Act of 1986 (IRCA). Between 1989 and 1991, 2.7 million immigrants across the U.S. became LPRs via IRCA. Cascio and Lewis (2019) found that areas with concentrations of IRCA LPR applicants experienced larger increases in the chances the resident population filed income taxes and received the EITC after LPR status was awarded. The proposed project will take a first step toward examining how Green Card awards through IRCA affected SSA revenues and benefit outlays by identifying likely IRCA LPRs in SSA records in the late 1980s/early 1990s and describing the lifecycle of their covered earnings, OASDI contributions, and benefit draws over the past 30 years.

This project would require collaboration with an SSA employee or some other means of access to the Numident, Master Earnings File, and Master Beneficiary Record. It would proceed in several steps. (1) Attempt to identify IRCA LPRs in the SSA Numident file, based on their initial applications for Social Security Cards. (2) Validate this identification process using universe IRCA application data from the (anonymized) Legalization Applications Processing System (LAPS). Though we will not (and cannot) perform a one-to-one merge to the Numident, we can produce counts of LPRs for comparison at a highly disaggregated level based on information that would be common to both the Numident and the LAPS (e.g., age, sex, country of birth, and location of application). (3) At that same level of aggregation, merge other characteristics available in the LAPS but not in the Numident (e.g., whether the IRCA applicant was a farm worker or long-term resident). (4) Create extracts from the relevant Master Files containing the individuals identified in (1) and validated in (2). These data would allow us to calculate both aggregate trends in SSA-relevant outcomes for this population, as well as variation in these trends based on various personal characteristics (e.g., age at time of application, country of origin, IRCA program).