Health Difficulties in the Elderly Immigrant Population

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In a relatively short period of time, immigration has become an important force of demographic and economic change in the United States. The foreign-born share of the U.S. population almost tripled, from 4.7 to 12.9 percent, between 1970 and 2010. In fact, almost half of population growth is now due to immigration.

Considerable past research has examined the impact of immigrant workers in the labor market, including their earnings upon entry and their subsequent economic assimilation. A crucial lesson of this literature is that the skill composition of the immigrant population—and, particularly, how the skills of immigrant workers compare to those of native workers—is the key determinant of the economic impact of immigration on the United States. Inevitably, as the tens of millions of immigrants in the United States approach retirement age, the impact of the elderly immigrant population gains importance. A question is how do immigrants fare in their post-retirement years and what does this imply for the financial underpinnings of the Social Security system?

A crucial determinant of wellbeing at older ages is the presence of health difficulties. The increasing prevalence of health difficulties associated with the aging process may prevent or limit the kind of work that older people can perform, and will inevitably influence the timing of the retirement decision, as well as income in the near- and post-retirement years. Health difficulties also impact the financial balances of Social Security and related programs (on both the revenue and expenditure sides), as well as public assistance programs at the federal, state, and local levels of government.

This paper uses microdata from the 2001-2010 American Community Surveys (ACS) to document and examine trends in health difficulties in the elderly immigrant population, as compared with the native-born population. The study looks at four types of health difficulties that occur frequently in the elderly population: cognitive, ambulatory, self-care, and independent-living difficulties.

Not surprisingly, there is a sizable difference in the propensity of immigrants and natives to experience these health difficulties, with immigrants, on average, being less likely to have at least one of these health issues. Moreover, the immigrant “advantage” widens substantially once the analysis controls for differences in background socioeconomic characteristics between immigrants and natives, particularly educational attainment. Holding education constant, elderly immigrants have a substantially lower propensity to experience a health difficulty.

A key finding from the study is that the age at which immigrants move to the United States plays a substantial role in determining which immigrants are most likely to experience a health difficulty.
Surprisingly, nearly a third of the foreign-born persons aged 50 or more arrived in the United States after age 50. These immigrants who enter the country at older ages are substantially more likely to experience health difficulties than either natives or immigrants who migrated at a younger age. Those who immigrated at older ages also experience a much more rapid deterioration of health conditions as they age.

Interestingly, the analysis also documents that the worsening of health conditions in this population is not accompanied by a substantial decline in labor force participation rates. The labor supply of immigrants who enter the country after age 50 seems to be quite inelastic. As a result, the link between labor force participation and health difficulties is far weaker in this population than among natives or immigrants who entered the country at a younger age.

The continuing increase in the number of elderly immigrants, and particularly of immigrants who enter the country at relatively older ages, makes this population important for further study, providing important insights into the determinants of labor supply of this population, the timing of the retirement decision, the size (and sources) of the income flow received by these immigrants, and the funding of Social Security and related programs (on both the revenue and expenditure sides).

The full working paper is available on our website www.nber.org/programs/ag/rrc/books&papers.html as paper NB12-03.

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