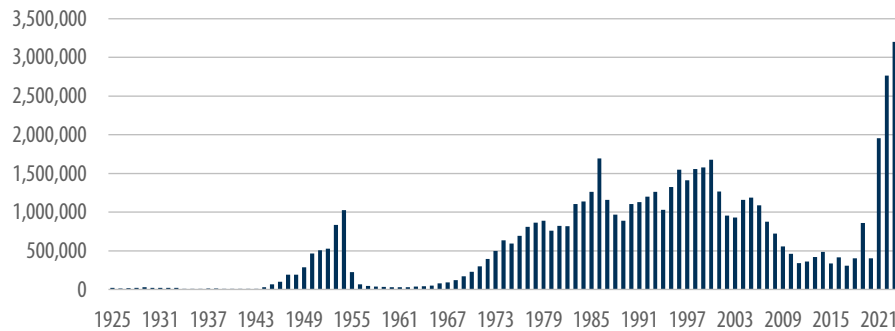


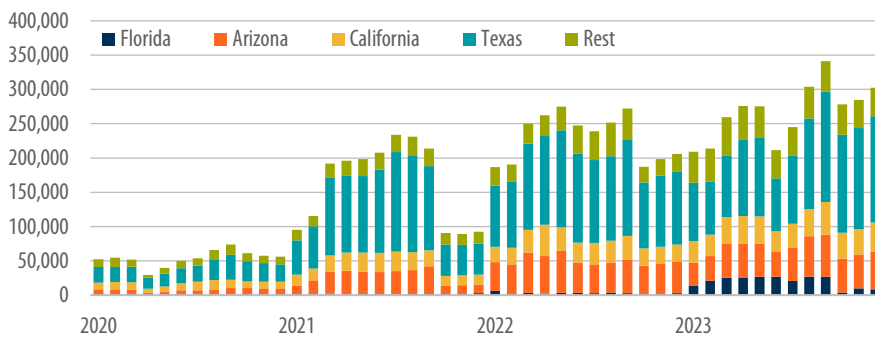
In this week's "Three on Thursday," we take a look at immigration in the United States. The U.S. remains one of the few countries where people risk their lives daily to come in, not out of, so it's no surprise that the largest immigration in the world (both legally and illegally) takes place here. Immigration today is very different than it was 100 years ago at Ellis Island. Then, the doors were open, welcoming anyone to the U.S. but with no promises of extensive assistance. The primary gift extended was the promise of freedom and an opportunity to work hard for a better life. Today, there are about one million people a year legally obtaining permanent resident status in the U.S. However, the more pressing concern lies in the increasing numbers entering illegally, placing a substantial fiscal burden on U.S. taxpayers and intensifying pressure on sectors like education, healthcare, and social welfare programs. To provide a data-driven perspective on the current state of affairs, we present two illustrative charts and a table below.

### Nationwide Enforcement Encounters by the U.S. Border Patrol



Source: U.S. Border Patrol, First Trust Advisors. Annual data from 1925-2023.

### U.S. Border Patrol Encounters by State



Source: U.S. Border Patrol, First Trust Advisors. Monthly data from 1/2020 – 12/2023.

### The Fiscal Burden of Illegal Immigration on United States Tax Payers 2023 Cost Study

Federal Spending	(\$Billions)	State and Local Spending	(\$Billions)
Education Expenditures	\$6.60	Education Expenditures	\$73.30
Medical Expenditures	\$23.10	Medical Expenditures	\$18.60
Justice Enforcement Expenditures	\$25.10	Administration of Justice Expenditures	\$21.80
Welfare Programs	\$11.60	Welfare Expenditures	\$2.00
Tax Receipts from Illegal Aliens	\$-16.20	Tax Receipts from Illegal Aliens	\$-15.20
<b>Total</b>	<b>\$50.20</b>	<b>Total</b>	<b>\$100.50</b>

**Net Cost of Illegal Immigration for 2023: \$150.7 Billion**

Source: fairus.org, First Trust Advisors. Estimates as of March 2023.

In fiscal year 2023, annual encounters between U.S. Border Patrol agents and illegal migrants reaching the U.S. hit eye watering historic highs. Notably, the figures for 2022 and 2021 rank as the second and third-largest, respectively, dating back to the 1920s. These encounters comprise two main categories: Apprehensions (Migrants are taken into custody in the U.S. – at least temporarily – to await adjudication) and Expulsions (Migrants are immediately expelled to their home country or last country of transit without being held in U.S. custody). The majority of encounters fall under the apprehension category. In these cases, individuals are briefly held within the U.S. but are often subsequently released, as the existing court infrastructure struggles to manage the sheer volume of cases. This intricate dynamic underscores the challenges and complexities inherent in the current landscape of illegal migration into the U.S.

Reflecting on the recent years, the significant surge in the number of encounters occurred largely along the southern border. Texas experienced the highest number of encounters, with Arizona and California following behind. The southern border continues to be a focal point for illegal crossings into the U.S. In the fiscal year 2023, the top five nationalities involved in the largest encounters with undocumented individuals were as follows: Mexicans (735,937), Venezuelans (334,914), Guatemalans (221,849), Hondurans (216,028), and Cubans (200,287).

In early 2023, The Federation for American Immigration Reform, a group that advocates for lower levels of immigration, released its 2023 cost estimates detailing the fiscal impact of illegal immigration. According to their findings, the financial burden on U.S. taxpayers in 2023 was projected to be at least \$150 billion, reflecting a roughly 30% increase over the past five years. Based on their calculations, this translates to an annual cost of approximately \$1,000 per American taxpayer due to illegal immigration.

This report was prepared by First Trust Advisors L.P. and reflects the current opinion of the authors. It is based upon sources and data believed to be accurate and reliable. Opinions and forward looking statements expressed are subject to change without notice. This information does not constitute a solicitation or an offer to buy or sell any security.