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Econ 496/895

HW #4 (please *type*)

Undergraduates: Answer any FOUR questions.

Grad Students: Answer any FOUR questions, plus the Graduate-Level Question.

All-Level Questions (answers should be 1 page, double-spaced)

1. What is “rivalry,” and why does it matter for calculating immigrants’ fiscal effect?
2. Why do old-age programs matter so much for calculating immigrants’ fiscal effect?
3. Suppose government sharply raised taxes and reduced spending. What would happen to estimates of immigrants’ overall, long-run net fiscal effect?
4. Was Friedman right about the incompatibility of free migration and the welfare state? Why or why not?
5. Under what conditions would assimilation be socially *destructive*? Provide a real-world example.
6. Summarize the empirics of educational assimilation in the United States.
7. Discuss the two reasons why immigration might harm trust in receiving countries. Which is more important in the real world?
8. Generalized trust: overrated or underrated?
9. To what extent is immigration policy driven by availability cascades?
10. What is pre-assimilation and why does it matter?

Graduate-Level Question (answer should be 2 pages, double-spaced)

Carefully read the sections in *Economic and Fiscal Consequences of Immigration* that explain how the authors calculated the overall, long-run net fiscal effect of immigration. Pick two underlying assumptions that seem questionable to you. How should these assumptions be revised, and how much would these revisions tilt the final estimates?