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NEW REPORT: *Immigrants and the Economy*

To get a copy of the embargoed report, please let us know (ddkallick@fiscalpolicy.org or evillasante@seiu32bj.org). We will send you download instructions.

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New report shows robust immigrant contribution to GDP

During boom years, fast-growing Phoenix, Dallas, and Houston metros experienced largest growth in immigrant workers

New York, NY—In the 25 largest metropolitan areas of the United States, immigrants are contributing to the economy in very close proportion to their share of the population, according to a report released today by the Fiscal Policy Institute. The report looks at all immigrants—documented and undocumented, across the economic spectrum. Funding for the report was provided by 32BJ SEIU and the Carnegie Corporation of New York.

“Immigrants are an important part of our economy,” says Ray Marshall, former Secretary of Labor and a member of the advisory panel to the Fiscal Policy Institute’s Immigration Research Initiative. “This valuable report provides a solid basis for understanding the impact of immigration on our country’s metropolitan areas.”

In the 25 largest metropolitan areas combined—comprising more than half of the country’s Gross Domestic Product, and two thirds of all immigrants—foreign-born workers are responsible for 20 percent of economic output and make up 20 percent of the population. The same basic relationship holds true, with slight variation, for each of the 25 areas, from metro Pittsburgh, where immigrants represent 3 percent of population and 4 percent of GDP, to metro Miami, where immigrants make up 37 percent of the population and 38 percent of GDP. The report for the first time estimates immigrant share of Gross Domestic Product in metro areas, based on wage and salary earnings plus proprietors’ income.

The reason immigrant contribution is so robust is that immigrants are more likely to be in the working age than their U.S.-born counterparts, and immigrants work in a much wider range of jobs than is often understood. Although immigrants are more likely to be in lower-wage service or blue-collar occupations, a quarter (24 percent) of immigrants in the 25 areas work in managerial and professional occupations, and another quarter (25 percent) work in technical, sales, and administrative support. And, immigrants play an important role as entrepreneurs and business owners, accounting for 22 percent of all proprietors' income in the 25 metro areas.

“Immigration and economic growth go hand in hand,” said Mike Fishman, President of 32BJ—the largest property service workers union in the country. “The report provides the economic information needed to bring our country's immigration system into line with today's economic and social realities.”

Metropolitan areas with the greatest rise in immigrant share of the labor force also experienced among the fastest economic growth, the report finds. Phoenix, Dallas, and Houston metro areas had the biggest growth in immigrant share of the labor force between 1990 and 2006, and also all had well above average metro area economic growth, while Cleveland, Pittsburgh, and Detroit metro areas experienced the slowest increase in immigrant share of the labor force and among the smallest economic growth.

“It's easy to understand why immigration and growth are closely connected. Immigrants are drawn to areas where there are jobs, and an expanding labor market can help fuel further growth,” says David Dyssegaard Kallick, director of the Fiscal Policy Institute's Immigration Research Initiative. “Economic growth doesn't guarantee that all workers benefit. But it's clear that the problems associated with growth are better problems to be grappling with than the problems associated with stagnation.”

The report shows that immigrants work in all sectors and in all kinds of jobs. In higher-wage occupations, they often have the same earnings as U.S.-born workers. In service occupations, earnings are low for both immigrants and U.S.-born workers. And, in blue-collar jobs, U.S.-born workers can have respectable earnings in the same occupations where immigrants earn substantially less.

“Even during the boom years, low wage service workers—foreign and U.S.-born—struggled to make ends meet,” said Hector Figueroa, Secretary Treasurer of 32BJ. “With times harder than ever, we need to make sure they get paid enough to make ends meet for their sake and for our economy.”

To give the fullest picture of metro areas around the country, the report is based on the 2005-2007 American Community survey, and thus pre-dates the current recession. Analysis of 2008 data—the most recent available—shows the same basic relationship between immigrant share of population and immigrant share of GDP.

Metro Area-Specific Findings

- In **metro New York**, 54 percent of all guards, cleaning and building service workers, 60 percent of dental assistants, health and nursing aides and 54 percent of food service workers are immigrants.
- In **metro Washington, D.C.**, both immigrants and U.S.-born workers in high-end jobs have earnings that are well above the median—though U.S.-born workers are doing considerably better than foreign-born workers.
- Between 1990 and 2006, **metro Atlanta** experienced the biggest growth in immigrants' share of the labor force and the fastest growth in its overall economy.
- Nearly half of the labor force in **metro Miami** is foreign-born, making it the most heavily immigrant workforce of the 25 largest metro areas in the United States.
- Of the five largest metro areas in the East, **metro Philadelphia** experienced the slowest economic growth and the slowest growth in immigrant workers.

The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on tax, budget, and economic public policy issues, particularly issues that affect the quality of life and the economic well being of New York State residents. With more than 110,000 members in eight states, 32BJ is the largest property services union in the country.

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A small sample of the charts and data available to reporters:

- Immigrant share of population and share of GDP for each metro area
- Immigrant share of occupations across the economic spectrum
- Country of origin of immigrants in each metro area