



New York State Assembly • Carl E. Heastie, Speaker • Michaëlle C. Solages, Chair

## The Economic Importance of Immigrants in New York • Task Force for New Americans

Dear Friend:

Immigrants have long been drawn to the promise of our nation, especially in our great state of New York. Seeking refuge, a better job, or a safe home, New York has made it our state policy for many generations to welcome all who respect our laws and want to join us in trying to make a better life. In the New York State Assembly, we will continue to fight for this humane and just cause.

We must make all people aware of the positive influence of immigrants. In New York and throughout the nation, business leaders, technology firms, universities, governors, mayors, economists, researchers, doctors, community organizations and residents have come together to attest to the ongoing and long-term benefits that immigrants bring to our communities.

The data irrefutably show that immigrants contribute positively to:

- high rates of workforce participation;
- job creation through entrepreneurship and contributions in science, technology, engineering and math-related industries
- large tax contributions and spending power
- college attendance
- population growth

Not only do most immigrants work and contribute taxes, but they increase job opportunities for New Yorkers born here.

I welcome your suggestions on any actions we can take to support all New Americans.

Thank you for giving me the opportunity to serve you.

Sincerely yours,

Michaëlle C. Solages  
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## Immigrants Have a Positive Impact on the New York State Economy

### Immigrants Have High Rates of Workforce Participation:

- Almost one-third of business owners in New York are immigrants.<sup>1</sup>
- Immigrants represent 22.6% of the State's population (compared with 13% nationally), yet they make up 28% of the employed population in the state.<sup>2</sup>
- About 71% of immigrants over the age of 16 are employed in New York, equal to the rate for U.S.-born residents.<sup>3</sup>
- Immigrants make up more than half of all nursing, psychiatric and home health aides; housekeeping and other cleaning professionals; and taxi drivers and chauffeurs. They are also more than 30% of the State's accountants and auditors; construction laborers; childcare workers; cooks; waiters and waitresses; and janitors and building cleaners.<sup>4</sup>
- In the agriculture sector, undocumented immigrants account for 50% of all hired crop workers. Studies show these workers are not replacing American workers, simply doing work few Americans are interested in pursuing.<sup>5</sup>
- In part because farmers were denied visas for agriculture workers, between 2002 and 2014, the number of field and crop workers in the Northeast decreased by almost 18%, driving up wages, while wages fell across the board for other workers without a high school diploma. During this time period, the share of produce consumed by Americans that was imported from other countries grew by almost 80%.<sup>6</sup>

### New York State Office for New Americans

**31.2%**

of New York State business owners are immigrants

**\$12.6 billion**

Total net business income generated by new immigrant business owners

## Immigrants Make Large Tax Contributions and Have Spending Power:

- In 2014, immigrants in New York earned \$145.8 billion (or 23.2% of all income earned by New Yorkers that year).<sup>7</sup>

They contributed:

- \$15.9 billion went to state and local taxes
- \$26.5 billion went to federal taxes

Leaving them with \$103.3 billion in remaining spending power.

- Immigrants in New York contribute to entitlement programs. In 2014, through taxes on their wages, immigrants contributed \$3.7 billion to Medicare and \$13.7B to Social Security.<sup>8</sup>
- In 2014, undocumented immigrants in New York earned \$18.3 billion, of which \$1.1B went to state and local taxes, and \$1.6B went to federal taxes, leaving them with \$15.8B in remaining spending power.<sup>9</sup> They also contribute to entitlement programs. In 2014, through taxes on wages, undocumented immigrants contributed \$359.2 million to Medicare and \$1.3B to Social Security.<sup>10</sup>
- A variety of studies have estimated that anywhere from 50- 80% of households led by undocumented immigrants file federal income taxes annually. Federal government officials have estimated that 75% of undocumented workers have taxes withheld from their paychecks.<sup>11</sup>
- The Social Security Administration's Chief Actuary has credited unauthorized immigrants with contributing \$100 billion more to Social Security than they drew down during the last decade.<sup>12</sup>

## Immigrants Are Entrepreneurs and Participate in Science, Technology, Engineering and Math (STEM) Jobs, Which Create More Jobs:

- Immigrant entrepreneurship powered New York's recovery after the Great Recession. From 2007 through 2011, immigrants founded 42% of all new businesses in New York.<sup>14</sup>
- 56% of Fortune 500 companies based in New York were founded by immigrants or their children (generating \$797.2B in annual revenue, employing almost 1.8M people globally).<sup>15</sup>
- Nearly half a million people in New York work at firms owned by immigrants (this excludes large, publicly-owned firms).<sup>16</sup>
- More than 10% of working age undocumented immigrants are entrepreneurs in New York State (86,503), generating \$1.6B in total business income.<sup>17</sup>
- Despite making up 22.6% of state's population, foreign-born New Yorkers made up 26.5% of STEM workers in New York in 2014.<sup>18</sup>

### New Study documents the economic power of immigrants in two upstate New York cities<sup>13</sup>

The study found that immigrants and refugees in Buffalo and Syracuse contribute to population growth, high rates of workforce participation, large tax contributions, and spending power.

- In 2014, foreign-born residents contributed \$3.1 billion to Buffalo's GDP, and \$1.7 billion to Syracuse's GDP.
- Foreign-born residents in the Buffalo and Syracuse metro areas helped preserve more than 5,000 local manufacturing jobs that would have otherwise vanished or moved elsewhere.

*"Immigrants help power the American economy," said John Feinblatt, Chairman of New American Economy. "Across Upstate New York, New Americans are driving economic growth by contributing millions in state and local taxes, starting small businesses, and revitalizing Main Street."*

### The National Venture Capital Association, January 2017

Immigrant entrepreneurs create jobs.

- 1 out of 4 ...
  - US entrepreneurs are immigrants
  - US inventors are immigrants
- Immigrants have started more than half of America's startup companies valued at \$1 billion or more
- 31% of venture-backed founders are immigrant entrepreneurs
- 1 out of 3 venture-backed companies that went public between 2006 and 2012 had at least one immigrant founder

*"Twenty years ago, the U.S. accounted for more than 90% of global venture capital investment. Today, we account for only 54%. Countries around the world are doing all they can to attract and retain talent to grow their ecosystems while we do the opposite—overlook and under-appreciate the fact that one-third to one-half of U.S. startups are founded by foreign-born entrepreneurs."*

- The U.S. STEM shortage is real, and technology companies are training Americans and counting on immigrants to help their businesses grow.<sup>19</sup> In 2014, 11.2 STEM jobs were advertised online in New York for every one unemployed STEM worker in the state.
- Between 2014 and 2024, STEM fields are projected to add almost 800,000 new jobs in the U.S., growing 37% faster than the U.S. economy as a whole. At the same time, fewer and fewer U.S. born students are studying STEM fields. The number of American citizens and permanent resident students pursuing graduate degrees in STEM fields actually fell by 6.3 percent between 2010 and 2013.<sup>20</sup>
- **If half of New York's 7,479 advanced STEM grads on temporary visas stayed in the state after graduation, 9,797 jobs for US-born workers would be created by 2021.**<sup>21</sup>
- High-skilled immigrants encourage U.S. innovation and create jobs.<sup>22</sup> It's been estimated that over 230,000 more computer jobs would have been created for U.S. workers if people denied H-1B visas in 2007 and 2008 had been welcomed to innovate here, instead of by competitors overseas. Moreover, half of the 87 startup companies valued at more than \$1 billion in the U.S. were founded by at least one immigrant, many of whom first came to the country on H-1B visas, and each of these companies now employs on average 760 U.S. workers.<sup>23</sup>

## Immigrants Make Up a Large Share of Enrollment at Colleges and Universities:

- In New York, the roughly 100,000 international college students studying on temporary visas make up just 7.8% of all college students in the state. Yet, their economic contribution is enormous. It is estimated that their economic contribution to the state is \$3.5 billion.<sup>24</sup>
- In 2014, students on temporary visas made up roughly one out of every 3 students earning a STEM Master's degree at New York universities, and 40.7% of students earning a PhD-level degree in STEM.<sup>25</sup>

## Immigrants Bolster Population in New York:

- As of 2015, New York was home to more than 4.4 million immigrants, second only to California.<sup>26</sup> Almost 55% are naturalized citizens, and another million are eligible but have not done so yet. An estimated 880,000 are undocumented.<sup>27</sup>
- Between 2000 and 2014, immigrants and refugees helped offset population decline in the Buffalo area and other economically depressed areas in New York—while the U.S.-born population declined by 4.9 percent, the foreign-born population grew by 32.3 percent.<sup>28</sup>
- Between 2000 and 2014, the increase in the foreign-born population raised the total housing value in the metro Syracuse area by \$406.5 million.<sup>29</sup>
- Most immigrant New Yorkers are of working age: fewer than 15% are enrolled in school, and of those enrolled in school, almost 60% are attending college.<sup>30</sup>
- Over 70% of foreign-born individuals in New York over age 25 have a high school education or more. Almost half have earned an associate's degree or completed additional college, and nearly 30% have a bachelor's, graduate or professional degree.<sup>31</sup>
- Two-thirds of immigrants in New York entered the country before 2000.<sup>32</sup>

## Study Examines Longitudinal Data to Answer Whether Immigrants Take Americans' Jobs and Cost More than They Contribute

A comprehensive study by leading economists, demographers and other scholars – of varying perspectives on immigration – answered two controversial questions:

*Do immigrants take jobs away from Americans and do they drive down wages?*

Researchers found no negative effects on overall wages and employment of native-born workers in the longer term, and found that highly-skilled immigrants, especially in technology and science, who have come in larger numbers in recent years, had a significant “positive impact” on Americans with skills, and also on working-class Americans. They spurred innovation, helping to create jobs.

*Do immigrants burden government budgets?*

While a first generation of newcomers generally cost governments more than they contribute in taxes, mainly because of education, second generation families become a net benefit to government coffers, adding about \$30 billion per year. By the third generation, immigrant families contribute about \$223 billion per year to government finances.

**The report called immigration “integral to the nation's economic growth” because immigrants bring new ideas and add to an American labor force that would shrink without them, helping ensure continued growth into the future.**

*“The Economic and Fiscal Consequences of Immigration,” 2016, National Academies of Sciences, Engineering, and Medicine.”*



## Assemblywoman Michaelle C. Solages • Chair, Assembly Task Force on New Americans

- <sup>1</sup> “A Portrait of Immigrants in New York,” New York State Comptroller’s Office (OSC), 2016.
- <sup>2</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau; and New American Economy, August 2016, Profile of New York State.
- <sup>3</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau.
- <sup>4</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau; and New American Economy, August 2016.
- <sup>5</sup> Thomas Hertz Zahniser Steven, “USDA Economic Research Service - Immigration and the Rural Workforce,” United States Department of Agriculture Economic Research Service, 2013.
- <sup>6</sup> Stephen Bronars, “A Vanishing Breed: How the Decline in U.S. Farm Laborers Over the Last Decade Has Hurt the U.S. Economy and Slowed Production on American Farms,” Partnership for a New Economy, 2015.
- <sup>7</sup> The New American Economy (NAE) brings together more than 500 Republican, Democratic and Independent mayors and business leaders who support immigration reforms that will help create jobs for Americans today.
- <sup>8</sup> New American Economy.
- <sup>9</sup> Income and state and local taxes: Undocumented Immigrants’ State and Local tax Contributions, Institute on Taxation and Economic Policy (ITEP), March 2017, New American Economy.
- <sup>10</sup> Employers are required by law to gather Social Security numbers for all their hires, so many undocumented individuals are paying into the tax system, often under falsified or incorrect Social Security numbers. These same workers generally lack access to social services programs, thereby drawing down far less from these programs than native born residents.
- <sup>11</sup> Laura E. Hill and Hans P. Johnson, “Unauthorized Immigrants in California: Estimates for Counties,” Public Policy Institute of California, 2011.
- <sup>12</sup> Roy Germano, “Unauthorized Immigrants Paid \$100 Billion Into Social Security Over Last Decade,” VICE News, 2014.
- <sup>13</sup> “New Americans in Buffalo and Syracuse: A Snapshot of the Demographic and Economic Contributions of Foreign-Born Residents in the Metropolitan Areas,” 2017.
- <sup>14</sup> New American Economy, August 2016, Profile of New York State; Robert Fairlie, “Open For Business: How Immigrants Are Driving Small Business Creation In The United States,” Partnership for a New American Economy, 2012; Vivek Wadhwa et al., “America’s New Immigrant Entrepreneurs: Part I,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, 2007).
- <sup>15</sup> New American Economy, August 2016, Profile of New York State.
- <sup>16</sup> New American Economy, August 2016, Profile of New York State.
- <sup>17</sup> New American Economy.
- <sup>18</sup> New American Economy.
- <sup>19</sup> The Information Technology Industry Council (ITI). The number of American citizens and permanent resident students pursuing graduate degrees in science and engineering fields actually fell by 6.3 percent between 2010 and 2013.
- <sup>20</sup> “Employment Projections: 2014-24 Summary,” Bureau of Labor Statistics Economic News Release, 2015, <http://www.bls.gov/news.release/ecopro.nr0.htm>.
- <sup>21</sup> New American Economy.
- <sup>22</sup> ITI, April 18, 2017.
- <sup>23</sup> ITI.
- <sup>24</sup> New American Economy.
- <sup>25</sup> New American Economy.
- <sup>26</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau.
- <sup>27</sup> Sources: American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau; “A Portrait of Immigrants in New York,” New York State Comptroller’s Office (OSC), 2016, which also provides this information: The U.S. Department of Homeland Security characterizes immigrants in one of four categories: 1) Naturalized citizens are those immigrants who have met the requirements for U.S. citizenship; 2) Lawful permanent residents (LPRs – a step before naturalization), commonly known as “green card” recipients, are immigrants who: have been granted lawful permanent residence in the United States; may live or work permanently anywhere in the country; may own property; may attend public schools, colleges or universities; and may join certain branches of the armed services; 3) Non-immigrants are foreign nationals who have been granted temporary admission to the U.S. for a specific purpose, including foreign exchange students, temporary workers and diplomats, as well as tourists and those in the U.S. solely for business; 4) Unauthorized immigrants (undocumented) are foreign-born non-citizens who either came into the U.S. without being admitted through the legal admission process or were admitted as non-immigrants and stayed past the date they were required to leave.
- <sup>28</sup> New Americans in Buffalo and Syracuse: A Snapshot of the Demographic and Economic Contributions of Foreign-Born Residents in the Metropolitan Areas, 2017, by New American Economy.
- <sup>29</sup> New Americans in Buffalo and Syracuse: A Snapshot of the Demographic and Economic Contributions of Foreign-Born Residents in the Metropolitan Areas, 2017, by New American Economy. The number of immigrant homeowners in New York State is 713,013, making the amount of housing wealth held by immigrant households \$378.1B. The amount paid by immigrant-led households in rent is \$1.5B. The share of homebuyers in the last four years who were foreign-born was 21%.
- <sup>30</sup> “A Portrait of Immigrants in New York,” New York State Comptroller’s Office (OSC), 2016.
- <sup>31</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau.
- <sup>32</sup> American Community Survey, PUMS, 5-yr sample, U.S. Census Bureau.