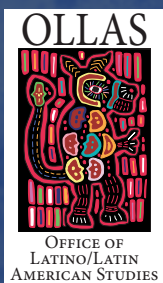




# The Economic Impact of Latin American & other Immigrants in Iowa, Nebraska & the Omaha-Council Bluffs Metropolitan Area

## EXECUTIVE SUMMARY



# Executive Summary

The complete report, along with this summary, can be found on our website: [www.unomaha.edu/ollas](http://www.unomaha.edu/ollas)

Although recent research from the Pew Hispanic Center suggests that the rate of recent immigration to the United States has slowed considerably, other studies clearly show that immigrants make substantial economic contributions to the communities in which they settle.

Using the US Census Bureau’s American Community Survey (ACS) data for the sample period 2006-2010, this report focuses attention on the quantitative economic impact of first-generation, foreign-born individuals on the Omaha-Council Bluffs economy as well as the Nebraska and Iowa state economies in 2010.

While much of the report is focused on the total immigrant group, some particular attention is paid to those immigrants from Mexico, Central America, South America and the

Caribbean (henceforth labeled Central/South American in origin), and their impact on the three economies of interest.

It should be emphasized that this study follows closely the 2008 study by Christopher S. Decker and colleagues, which primarily focused on the impact of immigrants on the Nebraska economy. While the main focus of this study is on the Omaha-Council Bluffs economy (which particular attention to the Central and South American immigrant population), we do offer some updated information on Nebraska. That said, since different data sources and modeling platforms are employed here, correlations between results here and the 2008 report are made only where possible and one should exercise substantial caution in making further comparisons.

| <b>Impact of Total Foreign-born Spending</b>                            | <b>Production Impact (\$ millions)</b> | <b>Employment Impact (# jobs)</b> |
|---|--|-----------------------------------|
| Omaha-Council Bluffs  | \$1,393                                | 8,315                             |
| Iowa  | \$2,826                                | 22,599                            |
| Nebraska  | \$2,151                                | 17,478                            |
| <b>Impact of Removing Total Foreign-born Labor</b>                      | <b>Production Impact (\$ millions)</b> | <b>Production Impact (# jobs)</b> |
| Omaha-Council Bluffs  | -\$6,476                               | -33,952                           |
| Iowa  | -\$12,015                              | -61,688                           |
| Nebraska  | -\$18,155                              | -82,032                           |
| <b>Fiscal Contributions and Costs for Total Foreign-born Population</b> | <b>Iowa</b>                            | <b>Nebraska</b>                   |
| Contributions (percent of total)  | 3.4%                                   | 4.3%                              |
| Costs (percent of total)  | 3.1%                                   | 4.1%                              |

Source: Authors’ calculations using IMPLAN 3.0. Figures reflect 2010 dollars.

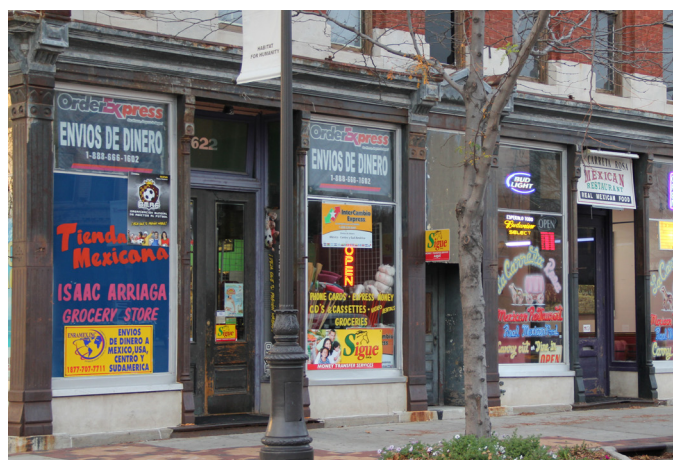
<sup>1</sup> [http://www.brookings.edu/~media/research/files/papers/2012/3/15%20immigrant%20workers%20singer/0315\\_immigrant\\_workers\\_singer.pdf](http://www.brookings.edu/~media/research/files/papers/2012/3/15%20immigrant%20workers%20singer/0315_immigrant_workers_singer.pdf) : accessed on May 28th, 2010.

<sup>2</sup> “Total production” or “total output” is a measure of the dollar value of all goods and services bought (demanded) and sold (supplied) in an economy.



# Key Findings

- In 2010, immigrant spending resulted in \$1.4 billion worth of total production (output) in the Omaha-Council Bluffs economy, with a possible range of \$1.2 to \$1.5 billion.<sup>2</sup> Spending by Central/South American immigrants generated between \$477 and \$615 million worth of total production in the Omaha-Council Bluffs economy in 2010.
- In 2010, immigrant spending in Iowa generated between \$2.5 and \$3.2 billion worth of total production. Central/South American spending accounted for between \$749 and \$963 million worth of production.
- In 2010, immigrant spending in Nebraska generated between \$1.9 and \$2.4 billion worth of output. Central/South American spending was responsible for between \$834 million and \$1.1 billion worth of production.
- The immigrant population in the three economies of interest makes a substantial contribution to the labor force in three key economic sectors; construction, food services, and animal slaughtering and processing. In the Omaha-Council Bluffs 2010 economy, the immigrant labor force accounted for 11 percent of total employment in construction, 10 percent of total employment in the food services sector, and 54 percent in meat processing.
- In this study, we conducted experiments addressing what would happen if the immigrant portion of the labor force was unavailable in these key sectors. We found that total production in the Omaha-Council Bluffs economy would fall by \$6.5 billion if these immigrants were not present in these sectors, about 7.8 percent of total production. If just the Central/South American immigrant population was removed from these sectors, the resulting loss would be \$5.6 billion, or 6.8 percent of total production. This loss represents about 34,000 jobs.
- Total production losses in Nebraska and Iowa would have been \$18.2 billion (10.7 percent of total production) and \$12.0 billion (4.2 percent of total production), respectively. These losses represent about 82,000 jobs in Nebraska and 62,000 jobs in Iowa.
- In Iowa, the foreign-born population accounted for 3.4 percent of state revenues from income, sales, and gasoline taxes. This population accounted for 3.1 percent of total state expenditures on public assistance, Medicaid, and education. This indicates that the foreign-born in Iowa paid into government accounts slightly more than they took out in public benefits in 2010.
- In Nebraska, the foreign-born population accounted for 4.3 percent of state revenues from income, sales, and gasoline taxes. This population accounted for 4.1 percent of total state expenditures on public assistance, Medicaid, and education. This suggests that the foreign-born in Nebraska paid into government accounts slightly more than they took out in the form of public benefits in 2010.
- For both states, the Central/South American-born population paid into state government accounts a percentage roughly equivalent to what they drew out in the form of public assistance, Medicaid, and education. The same can be said for the native-born group in both states.



A technical note about the foreign born included in this report is warranted. For purposes of this report, Mexico, Cuba, Jamaica, and the Dominican Republic, among others, are included under the “Central and South American” category. The total foreign born category includes both those from Central and South America as well as the rest of the world. Table A1, in Appendix A, identifies the country of origin for the delineations used in this study.

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