

# **The Economic Impact of the Mexico-Utah Relationship**

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## **COMMENTATORS**

We would like to thank the following individuals who have read the draft and made helpful comments- and who have no responsibility for any problems in the resultant study:

Dr. Theresa Martinez, Dr. Pamela Perlich, Dr. Armando Solorzano, Dr. Janice Houston,  
Ms. Maritza Sotomayor, Mr. Adam Bishop, Mr. Derek Colvin  
and Page Design, designed by Kendra S. Horn

We would also like to acknowledge the financial support of Zions Bank-Su Banco, of the Office of the President, University of Utah, and of the Institute for Public and International Affairs of the College of Social and Behavioral Science. Staff in the Dean's Office of the CSBS, Aleta Tew and Marilyn Cox, provided logistical support for the project, which was greatly appreciated.

The initial impetus for the study came through the Consul General of Mexico in Salt Lake City, Salvador Jimenez, with the encouragement of Senator Jeffrey Jones of the Mexican Senate. We thank both of them, as well as Adam Bishop whose internship with Sen. Jones was an added spark to the study.

  
SECRETARÍA DE RELACIONES EXTERIORES  
M É X I C O

February 2006

I would like to express my appreciation to the University of Utah for the useful and insightful research done in producing the "Economic Impact of the Mexico-Utah Relationship". The document speaks very highly of the prestige of the University of Utah and its researchers, who participated with remarkable effort and capacity in assembling the study.

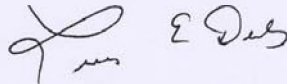
The enthusiastic support of the University in doing this work reflects its awareness of the vital contribution of Mexico to the social and economic reality of Utah.

Likewise, this study confirms the disposition and wisdom of the University in embracing the young members of the Mexican community residing in Utah, for whom the value of access to higher education is undeniable. In doing this, the University is participating in shaping a more integrated and diverse future for the State of Utah.

The "Economic Impact of the Mexico-Utah Relationship" follows similar studies completed in states such as Arizona, California, Nevada and North Carolina. I am convinced that all these studies will raise the awareness of the U.S. society as a whole to the benefits and opportunities derived from the relationship with Mexico and of the substantial contributions of the Mexican community in the United States through their work, purchasing power, rich culture and traditions.

I would not want to exclude thanking Zions Bank, which helped to sponsor this study. With its support, Zions Bank is helping to promote a better basis of knowledge and understanding between Utah and Mexico and to ensure that this friendship grows stronger in years to come.

I firmly believe that the importance of our relationship and the fluent, intense and friendly cooperation among us, provide solid ground to move ahead looking to our promising future based on the opportunities given by our neighborhood.



Luis Ernesto Derbez Bautista  
Secretary of Foreign Affairs of Mexico

**October 2005**

**From Zions Bank**

**Zions Bank is honored to sponsor this important piece of economic research done by scholars of the University of Utah. The growing Hispanic community in Utah, and particularly the importance of the Mexican community, is significant not only to the social and economic development of the state but in the cultural development of our own communities.**

**That is why Zions Bank is a sponsor of this research project entitled "*The Economic Impact of the Utah-Mexico Relationship*" which measures the social and economic impact of the Mexican community in Utah, their contributions to our state, and the value of the relationship of our state with the Republic of Mexico.**

**Zions Bank is committed to serve all communities in Utah; that is why we have invested significantly in events, festivals, programs and projects that promote the richness of Hispanic and Mexican culture throughout the state. Through the new Zions Bank Su Banco branches, Zions is serving and meeting the financial and banking needs of our Spanish speaking communities.**

**I hope that the citizens of this State of Utah will read and analyze this research document and value the importance of the Mexican community in our state and of our diplomatic relationship with Mexico. We reiterate our commitment to serve the Hispanic community and we welcome their social and economic contributions to this great State of Utah.**

**Sincerely,**



**A. Scott Anderson  
President & CEO  
Zions Bank**



Consulado de México

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Salt Lake City, Utah

December 18, 2005.

How thankful I am to the University of Utah for having opened its doors to me when I came asking for its support to do research on the economic impact of the relationship between Mexico and Utah.

The first specific instruction I received from the Mexican Secretary of Foreign Relations, Dr. Luis Ernesto Derbez, upon being designated Consul of Mexico in Salt Lake City, was to promote with the University of Utah the elaboration of such a research paper.

In addition to providing consular services to Mexican nationals, such as issuing passports, matriculas consulares, powers of attorney, birth registrations and, most importantly, protection, an important aspect of our work is to promote a closer and stronger relationship between our country and the states of our jurisdiction.

However, how can we do this when the knowledge and information is based misconceptions about our people who come to live and work in places like Utah?

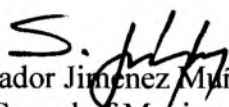
That is why it is so important to us, when we are trying to build a strong relationship with Utah, that we use objective and reliable information that describes the reality of the many contributions of Mexican immigrants to the society of Utah with their hard work, rich culture, traditions and family values.

That is why we asked the University of Utah to do this research using its renowned human resources to gather all the meaningful data using the most reliable methodology. The result is an informative document that speaks very highly of the prestige of the University.

In having conducted this research, the University of Utah is reaffirming its commitment to promote a better understanding of those minorities that are now part of the diversified society of this state. In doing so, it is helping to shape a harmonious and promising future for the great state of Utah.

My special appreciation to Zions Bank for its generous sponsorship of this study.

Sincerely,

  
Salvador Jiménez Muñoz  
Consul of Mexico



16 December 05

Salvador Jiménez Muñoz  
Cónsul Titular de Mexico en Salt Lake City, Utah

I am very pleased that The Institute of Public and International Affairs (IPIA), University of Utah, has been the institutional base for the scholarship carried out in completing this project on the economic impact of the Mexico – Utah relationship. The intellectual capabilities, expertise and energy of our faculty are the core resources of the IPIA and the University. The report is wholly due to the research team's efforts. We hope and expect that further research related to the relationships involving Mexico and Utah will be carried out under the aegis of the IPIA.

The Institute of Public and International Affairs was established in June 2005 as a new institute in the College of Social and Behavioral Science. IPIA will energize and expand the University of Utah's activities and programs in: public policy, applied politics, socio-political-economics, security, government, and governance in the U. S. and internationally. IPIA will be a center of excellence at the University that provides expanded and exciting new opportunities for students and faculty to participate in innovative inter-disciplinary research, learning, civic engagement, and service. This project is very much in the spirit of the IPIA.

Sincerely,

J. Steven Ott, Dean, College of Social  
and Behavioral Science and  
Interim Director of IPIA

## EXECUTIVE SUMMARY

The study concentrated on five linkages that are central to the Utah-Mexico relationship; Mexicans who are physically in Utah; trade relations between Utah and Mexico; financial relations between Utah and Mexico; tourism; and access by undocumented students to university education.

In all cases, the main effort was to scout out and report the most up-to-date and most reliable information related to the issue. At the same time, we identified patterns and suggest reasons for the patterns that we found in the data. Several examples can illustrate.

In the case of Mexican immigrants, comparison between the US pattern, the pattern in surrounding states, and the Utah immigrants shows clearly that the Utah immigrants are more recent arrivals and exhibit a pattern typical of “a leading immigrant community.” The trade relations show the growing importance of trade with Mexico, but also illustrate that Utah has developed a stronger relation with Mexico than any surrounding non-border state except Colorado. On the other hand, the Colorado pattern is dramatically more dynamic than Utah’s, an issue to be explored further. The financial sector study documents a surprising number of businesses in Utah owned by Mexican nationals and immigrants, even though the data are from 1997. The numbers have certainly grown since. In addition, the importance of remittances is documented, noting that again Colorado’s level of activity is far higher.

The tourism section documents the two-way flow of tourists, with Mexican second largest category of visitors to the US. In the case of Utah, we highlight the centrality of the foreign born, including the Mexican born, to staffing the tourist industry, particularly the ski industry.

Finally, the last section describes the HB 144 program, whose purpose is to facilitate access to higher education for undocumented students, usually Hispanic. Based heavily on data from the University of Utah, the section suggests that the program most likely results in an increase in tuition revenues paid, since it encourages students to attend who could not do so if they had to pay out-of-state tuition.

The table below presents the major results of the study. We encourage you to read the full study, since it provides context and analysis of the specific results.

## THE MAIN LINKS BETWEEN MEXICO AND UTAH

<b>Mexicans in Utah</b>	<b>Trade Relation</b>	<b>Financial Flows</b>	<b>Tourism</b>	<b>Educate Undoc</b>
In 2003, Utah's Hispanic population was 233,425, 9.9% of the total.	In 2004, Mexico ranked 8th in Utah exports at \$122 million	Mexican nationals and immigrants own 1,834 businesses in Utah accounting for US \$227 million in annual sales	Tourists spend an estimated \$4 billion per year in Utah.	In 2003-2004, HB144 students paid USHE tuition of \$119,962 and had \$299,905 waived
67.7% of Hispanics in Utah are of Mexican ancestry	Transportation equipment and Chemicals are the largest exports	These businesses employ 3,213 people in addition to immediate family members and average US \$123,733 in annual sales per business	98,000 Mexican tourists visited Utah in 2002-2003	At U of U net tuition most likely increased by \$22,381 for Fall, 2003 to Spring, 2005
Mexican immigrants in 2000: Were 42% of all foreign-born in Utah, and about 3% of total Utah population.	Only Colorado exports more to Mexico, among surrounding states (except Arizona)	37% of Hispanic business in Utah are in the service sector, 13% in retail, and 11% in construction	Mexican skier tourists spent US \$7 million in Utah	Utah's Hispanic 4th graders are behind white students and national Hispanic students
About half of Utah's Mexican immigrants are undocumented.	In 2004, Utah imported \$308 million of goods from Mexico	Hispanic owned businesses paid \$85 million in wages.	One-quarter of foreign visitors to the US are from Mexico.	Utah's Mexican Hispanics: over national average High School, below on higher education
The demographics of Utah's Mexican immigrants are very similar to Colorado's.	Vehicles and Jewelry/Precious Metals are the largest imports	65% of US Latinos have bank accounts; 68% of Utah Hispanics have a savings account.	Mexicans are one of the top three LDS nationalities	5.2% of Utah HS graduates were Hispanic in 2002; in 2018 it will be 24%
Mexican immigrants own property valued at \$984 million.	Only Colorado imports more from Mexico, among surrounding states (except Arizona)	US \$148 million in remittances from Utah to Mexico in 2004, for an average of US \$1,785 per individual	Mexican immigrants are the working backbone of the tourist industry. High % service industry jobs by Mexicans	The rate of return to higher education is between 12% and 20%.
Mexican immigrants are concentrated in operative and laborer jobs	Utah added 281,790 jobs between 1993 and 2005	By comparison, Mexicans in Colorado sent approx. US \$463 million for an average of \$2,008 per individual	12 out of 25 top occupations held by Mexicans are tourist related	A Hispanic college grad will earn \$1.7 million compared to \$1.1 million for a HS graduate
The purchasing power of Mexican immigrants in Utah exceeds \$1 billion.	Trade with China cost 12,765 jobs and trade with NAFTA 8,022 jobs	Utah businesses captured at least US\$9 million in transaction fees. By comparison, Colorado businesses captured more than \$30 million in fees.	Foreign born are up to 5.5 times more concentrated in tourist service jobs.	A 1% increase in college graduates raises Utah per capita income by \$152
Mexican immigrants paid about \$67 million in income, sales, and property taxes to Utah in 2000	2,826 workers were eligible for NAFTA Adjustment Assistance, 1994-2004	Growing migration presents significant economic opportunities for Utah and Mexico, but current policies create disincentives for investment.	The highest concentration of Mexican population lives in largest tourist venues: Wendover, Park City and SLC	One more high tech firm in Utah would raise per capita income significantly



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## INTRODUCTION

In 2002, Utah and Salt Lake City proudly declared “The World is Welcome Here.” The resounding success of the Olympic Games validated the statement and seemed to signal the state’s openness to that complex process popularly termed “globalization.”

By 2005, the welcome certainly has more conditions attached and the popular press reflects concern about many aspects of globalization: the growth of China’s exports and its role in world production; the transmission of diseases such as bird flu; the relation of US laws to international law; the dramatic price increase in the international oil we import; or the influx of migrants, especially undocumented migrants from Latin America.

The physical presence of migrants throughout Utah allows them to become the focus of the disaffection with globalization’s effects. The “English-only Law” passed in 2000 was the first manifestation, followed by restrictions on access to drivers licenses in 2005 and proposals to reverse undocumented students’ in-state tuition eligibility.

Since Mexicans are by far the largest segment of the migrant population, they have become the focal point of efforts to put conditions on the welcome to the world. One irony is that US relations with Mexico have been the standard bearer of globalization since 1994 when NAFTA came into effect. Focusing only on the population movements since that time misses the breadth and depth of the developments in our relations with Mexico since 1994.

This study began during the Summer of 2005 and set out to examine the complexity of the globalized relation between Utah and Mexico, concentrating on broadly defined “economic linkages.” It was designed to build upon earlier similar studies done in Arizona and in Texas on those states’ relations with Mexico. We felt that we could capture the reality of the growing importance of the relationship using the best and most up-to-date existing data sources. We think we have succeeded in that effort, though we plan to extend the study to examine the why’s and wherefore’s of a number of the elements of this study. Our more complete study, with all documentation and elaboration, is available from the authors.

This publication highlights the most important elements of that longer study. It omits some of the detail; but it should give the reader a tangible sense of the complex, multi-faceted, and sometimes ambiguous relation between Mexico, the US, and Utah that has evolved over the decade since NAFTA came into existence. It should be clear that migration is only one element in the increasingly important relation between Mexico and Utah.

## A. MEXICAN IMMIGRANTS IN UTAH: DEMOGRAPHICS AND EMPLOYMENT

### 1. Basic Demographics

#### *Hispanics in Utah*

According to the Census of Population, there were 201,559 persons of Hispanic descent living in Utah in 2000. They amounted to about 9.0% of Utah's total population. These figures reflect remarkable recent growth in the Hispanic population.

In 1990, there were just 84,597 Hispanics in Utah, or 4.9% of the state's population in that year (Gusman 2001, Table 2).

The Hispanic population in Utah grew by 138% during the 1990s, while Utah's population as a whole grew by 30%.

By 2003, the Hispanic population had risen to 233,425, or 9.9% of the total population of 2,351,467 (US Census Bureau 2004).

#### *People of Mexican Ancestry, and Mexican*

#### *Immigrants*

The vast majority of Hispanics in Utah are of Mexican ancestry. Of the 201,559 Hispanics in Utah in 2001, 136,416 (or 67.7% of all Hispanics) reported Mexican ancestry (US Census Bureau, Census 2000, Summary File 1).

In the same year, there were 66,478 Mexican-born people living in Utah. They accounted for about 42% of the 158,664 foreign-born people in Utah. The predominance of the Mexican-born in Utah's immigrant flow is clearly transforming the demographics of the state.<sup>1</sup>

In 1970, about 95% of the Utah population was white and non-Hispanic. By 2000, the white-and-non-Hispanic share had fallen to 85% (Perlich 2004).

### 2. Mexican Immigrants in Utah: Comparisons to Neighboring States

Relative to the US as a whole, Utah's Mexican immigrant community has more of the characteristics of a "leading immigrant" community. Mexican immigrants in Utah are more likely to have arrived very recently.

For the nation as a whole, 23% of Mexican immigrants resident in 2000 arrived after 1995. In Utah, this share was 38%. (See table A2.1) Utah's Mexican immigrant population in 2000 was also more "male" than average: 60% of Utah's Mexican immigrants in the year 2000 were men, versus 55% for the nation as a whole.

Most other states in the region (Arizona, California,

New Mexico, and Nevada) have Mexican immigrant populations with demographics closer to the national average.

Colorado's Mexican immigrant community (37% recently arrived, 59% male)

*"32% of Utah's Mexican immigrants population reported that they had at least a high school diploma."*

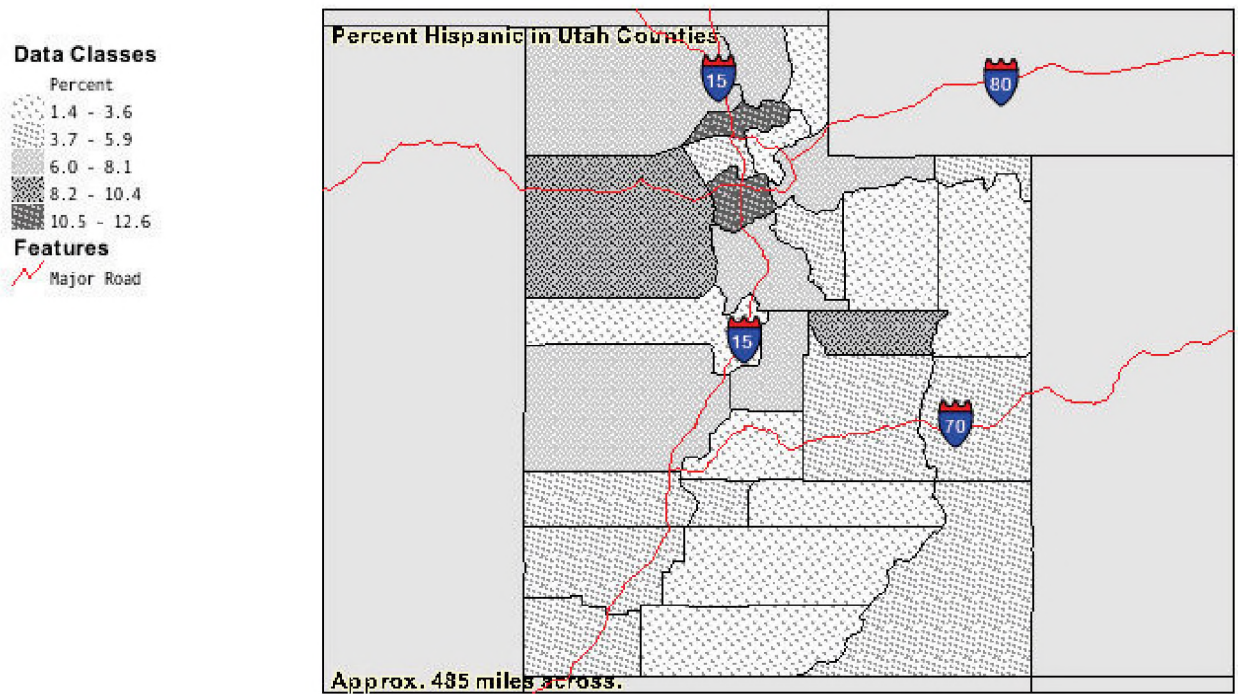
most closely resembles Utah's. Mexican immigrants in Utah were less likely to be married and less likely to be citizens than were Mexican immigrants in the nation as a

whole. Mexican immigrants in Utah were also on average slightly younger than Mexican immigrants in the US as a whole.

Again, of states in the region, Colorado has the Mexican immigrant population most closely resembling Utah's on these dimensions. In contrast to their youth, recent arrival, and lack of citizenship, however, Utah's Mexican immigrants reported themselves to have slightly more education than Mexican immigrants in the nation as a whole. 32% of Utah's Mexican immigrant population reported that they had at least a high school diploma.

1. "Mexican-born people" are not simply a subset of those reporting "Mexican ancestry." Some people born in Mexico do not report Mexican ancestry. Similarly, some US residents reporting Mexican ancestry were not born either in the US or in Mexico. Below, references to "Mexican immigrants" denote Mexican-born residents of the United States specifically.

**Figure A.1.1: Percent Hispanic by County in Utah, 2000**



### 3. The Undocumented Mexican Immigrant Population

Much of the policy discussion regarding immigration in the US and in Utah focuses on the size and characteristics of the undocumented population.

This group is hard to study using standard sources, for obvious reasons.

Still, its importance requires that we make some effort to estimate the characteristics of this group.

Here, we follow the method proposed by Steven Camarota (2001) and allocate the Mexican immigrant population identified in the Census into “documented” and “undocumented” categories based on whether a given

individual has characteristics found to be common among the undocumented.<sup>2</sup>

On this basis, 44% of the Mexican immigrant community in Utah is undocumented.

The proportion is slightly larger among those under 18 (46%) and among single people over age 18 (50%), and it is somewhat smaller for married people (39%).

Estimates based on more recent data suggest that the undocumented share among Utah’s Mexican immigrant community rose to perhaps more than 50% by March of 2004 (Passel 2005)

<sup>2</sup> Specifically, we classify as undocumented those individuals who arrived in 1980 or later, were less than 60 years old, were not citizens, were not receiving assistance through TANF, General Assistance, or SSI, were not married to a US citizen, and (i) if over age 18, had not received a high school diploma, and (ii) if younger than age 18 (and not married), had parents who were likely to be undocumented (by the criteria above). Camarota includes non-receipt of food stamps and Medicaid in his criteria, but these are not observable in the 2000 Census.

**Table A.2.1: Demographics of the Mexican Immigrant Population**

	US	UT	AZ	CA	CO	NM	NV
Total	9,177,487	66,487	436,022	3,928,701	181,508	153,946	107,272
Percent Male	55%	60%	54%	53%	59%	52%	56%
Married, Spouse Present	48%	43%	46%	49%	45%	53%	47%
Not a Citizen	77%	85%	78%	75%	83%	70%	77%
Arrived after 1995	23%	38%	27%	17%	37%	16%	26%
Speaks English Only or Speaks English Very Well	29%	30%	31%	29%	26%	33%	29%
Education: High School Diploma or More	28%	32%	31%	27%	27%	27%	29%
Age: Under 15	11%	14%	13%	10%	14%	11%	12%
Under 30	46%	59%	48%	42%	56%	38%	49%
25 to 54	60%	54%	56%	62%	55%	59%	62%

Sources:

Total Population: Table PCT19: Place of Birth for the Foreign Born Population, Summary File 3 Data, Census 2000 (accessed at [factfinder.census.gov](http://factfinder.census.gov), 7/29/05). All other figures: 2000 Census IPUMS dataset, 5% sample (Ruggles et al 2004). Marital status calculated for those 15 and over. English language ability calculated for those 5 and over. Education calculated for those 16 and over not currently enrolled in school.



## 4. Labor

### Occupation

In the US generally and throughout the West, Mexican immigrants are much more likely to be found in blue collar work (craft, operative, or laborer) and in service work than in white collar jobs (professional/technical, managerial, sales, or clerical).

The concentration of Utah's Mexican immigrant work force in operative and laborer jobs is particularly noteworthy, reflecting the relatively large manufacturing sector in the state.

When we compare the occupations of Mexican immigrants in Utah to the overall occupational distribution in the state, the lack of access of immigrants to white collar jobs appears quite dramati-

cally.

We can also see the relative concentration of Mexican immigrants in skilled craft jobs relative to the general workforce.

Undocumented workers are just as likely to hold these craft positions as are documented immigrants.

On the other hand, undocumented workers are much more heavily concentrated than other immigrants in generally poorly-paying service jobs.

While the occupational distribution of Utah's Mexican immigrants largely resembles that of Mexican immigrants in other states, it is worth noting that unique processes may affect the economic assimilation of immi-

grants in Utah.

Many immigrants who come to Utah are members of the Church of Jesus Christ of Latter-Day Saints (LDS), and these individuals are arguably connected to a dense network of information and support at arrival.

LDS church membership is more common among immigrants from South America than among immigrants from Mexico (who tend to be Catholic).

There is evidence that this difference in religious affiliation leads to more rapid economic assimilation among South American immigrants in Utah than among Mexican immigrants (Solàrzano 2005, p. 196).

**Table A.4.4: Occupational Distribution of Utah's Mexican Immigrants by Documented Status, and Distribution of the Total Utah Workforce**

Occupation	Documented Mexican Immigrants	Undocumented Mexican Immigrants	Total Utah Workforce
Professional/Technical	7%	1%	22%
Management	6%	1%	15%
Sale	1%	1%	7%
Clerical	9%	3%	18%
Craft	14%	15%	12%
Operative	29%	26%	11%
Laborer	13%	21%	4%
Service	17%	27%	11%
Farmer	<1%	<1%	<1%
Farmer Laborer	3%	4%	<1%

Source:

2000 Census IPUMS dataset, 5% sample (Ruggles et al 2004). Based on individuals 16 and over, not enrolled in school, who worked in 1999. See text for definition of documented and undocumented

## Earnings

While about 3% of Utah's total population in 2000 was born in Mexico, about 4.5% of its workers were born south of the border. Mexican-born workers had average earnings of \$18,138, equal to about 59% of the overall average in Utah (\$30,916).

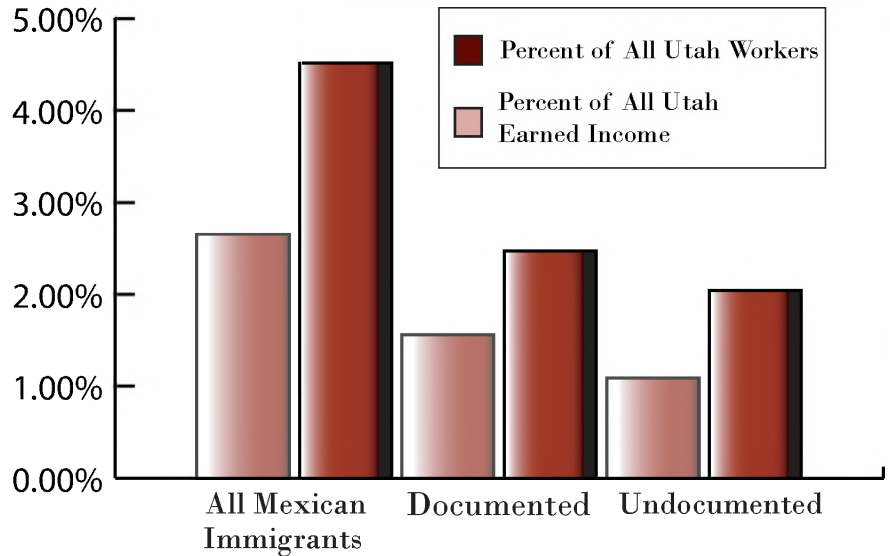
As a result, Mexican-born workers took home a disproportionately small share of Utah's total earned income.

Their \$679 million in earnings accounted for 2.6% of the total earned by wage and salary workers in the state.

A little less than half of all of Utah's Mexican-born workers were undocumented (or about 2% of the total wage and salary workforce).

Undocumented workers had an average annual income of a little over \$16,000, about 84% of what documented Mexican workers earned.

Figure A.4.1



Source:

2000 Census IPUMS dataset, 5% sample (Ruggles et al 2004). Includes individuals aged 16 to 64, not in school, who worked in 1999, were wage and salary workers had nonzero earnings, and were not unpaid family members. Self-employed individuals are not included. Including them alters the percentages only slightly. See text for definition of documented and undocumented.

## 5. Purchasing Power

We estimate that the total purchasing power of Mexican immigrants in Utah was more than \$900 million in 2000, which was about 2 percent of total Utah purchasing power in that year. We expect that the purchasing power of Mexican immigrants in Utah will increase to over \$2 billion by the year 2009.

Table A.5.1: Purchasing Power in Utah (in Thousands of 2000 Dollars)

	2000	2004	2009
Hispanic	2,472,975	3,671,326	5,914,927
Mexican	915,001	1,358,391	2,188,523
Utah Total	45,153,689	56,047,840	77,204,016

Source: Humphreys 2004, and 2000 Census IPUMS dataset, 5% sample (Ruggles et al 2004)

## 6. Tax Contributions

**Table A.6.1: Taxable Income and Property, 2000 (in Thousands 2000 Dollars)**

	Total Personal Income (only documented)	Purchasing Power** (total)	Total Value of Housing units* (total)
Mexican Immigrant	486,679	915,001	984,417

\*Census 2000 IPUMS dataset, 5% sample (Ruggles et al 2004); \*\*From Table A.5.1

The total contribution of Mexican immigrants to Utah's state revenues reflects payments through personal income tax, sales tax, and property tax. The total personal income tax paid by Mexican immigrants is estimated using the state's tax rate for the lowest income bracket and assuming that half of Mexican immigrants are single filers and the other half are married couples with two children filing together.

We estimate that Mexican immigrants paid over \$7 million to the state in personal income tax (Table A.6.2).

The total sales tax paid by Mexican immigrants is computed by applying the 5.75

percent state sales tax to their purchasing power as shown in Table A.5.1. In fiscal year 2000, Mexican immigrants paid over \$52 million in sales tax to the State of Utah.

To estimate property tax payments, we rely on the self-reported amounts available in the 2000 Census (which include payments on owner-occupied homes only, not estimated payments through rent).

The amount of property tax payments reported in the 2000

Census by Mexican immigrants in Utah was over \$7.5 million.

The total tax contribution of Mexican immigrants to the State of Utah is therefore more than \$67 million in 2000.

*“We estimate the Mexican immigrants paid over \$7 million to the state in personal income tax.”*

**Table A.6.2: Tax Contributions of Mexican Immigrants, 2000 (in Thousands of 2000 Dollars)**

	Income Tax	Sales Tax	Property Tax	Total
Mexican Immigrants	7,492	52,155	7,580	67,227

## 7. Fiscal Impact

A comprehensive measure of the net fiscal impact of immigrants should include projections of likely future taxes paid and transfers and services received, including the taxes that will be paid by (and transfers and services that will flow to) the native-born children of immigrants.

In these kinds of calculations, the fiscal impact of immigrants varies with education (it is more positive

for the better educated) and with age (it is more positive for those who arrive by age 40).

Weighting across all education groups and ages generates a long-term positive impact of about \$80,000 for the average immigrant, for the US as a whole, based on mid-1990s data (Smith and Edmonston 1997, p. 336).

This figure reflects all immigrant groups, and it is

likely that the lower level of education among Mexican immigrants would result in a less positive (or perhaps even negative) impact on government budgets.

On the other hand, the relative youth and relatively high level of educational attainment of Utah's Mexican immigrant population would raise their contribution to state and federal budgets.

Not included in these cal-



culations is the accrual of unclaimed Social Security benefits generated by undocumented workers.

For the US as a whole, about \$7 billion per year in Social Security taxes and about \$1.5 billion per year in Medicare taxes is paid through false or erroneous Social Security numbers.

About three-fourths of this revenue comes from undocumented immigrants (from all home countries) (Porter 2005).

The impact of immigration (both documented and undocumented) at the state and local level can of course be quite different from any impact calculated for the nation as a whole, due simply to the concentration of immigrants in some communities.

Notably, though, recent federal policy has made efforts to distribute these effects more evenly.

Under Medicare legislation passed in 2003, the federal government will distribute funds to states to reimburse them for the estimated cost of treating undocumented immigrants in their hospitals.

Current estimates suggest that health care providers in Utah will receive about \$1.55 million for such costs incurred in 2005 (Freking 2005).

In considering all of these estimates, we need to recognize that their construction requires strong assumptions about the future course of public policy and individual behavior.

We should also keep in mind that rates of economic assimilation by immigrants in US history have sometimes confounded expectations.

The profound poverty and cultural isolation of the Irish in the 1800s, and of Italians, Poles, Russians, and others in the early 1900s, led to considerable skepticism about the economic prospects of these groups and to proposals for immigration restriction.

The movement of these groups into the middle class in the middle of the 20th century depended on their own efforts but also on a labor market characterized by the opportunity for upward mobility.

Similarly, the economic destiny of the Mexican immigrant community in Utah, and their economic contributions to the state, will be determined by their own efforts and by public policy and institutional initiatives that give these individuals the opportunity to develop and use their talents.

## B. TRADE RELATIONS

### 1. Overview of Trade with Mexico

Since the establishment of the North American Free Trade Agreement in 1994, Mexico has become the second largest trading partner of the US, supplanting Japan who was in second place during the 1990s. Total US Exports to Mexico via Utah were \$122.2 million. (Table B.1.1) Total US trade with Mexico equaled \$266 billion in 2004.

This was 60 percent of the amount of trade with the other NAFTA member-Canada-and 10 percent greater than trade with China. The intra-NAFTA trade has particular characteristics. Much of the trade with Canada is intra-company trade, particularly in the automobile industry. In addition, a large portion of US trade with Mexico is maquila, or assembly trade, across the border between Mexico and California, Arizona, New Mexico and Texas.

Mexico's rank among Utah's trading partners is lower than for the entire US because there is no maquila transit through in Utah and intra-company trade is less prevalent. The average exports for 2001-2004 made Mexico Utah's sixth largest export destination, though in 2004 it was eighth largest, surpassed by China and Germany in that year.

**Table B.1.1 US Exports via Utah: Top 10 Countries (in millions of dollars)**

Rank	Country	2004 Total
1	Canada	\$865.7
2	Switzerland	\$772.7
3	UK	\$559.5
4	Japan	\$542.0
5	Germany	\$170.2
6	Singapore	\$125.7
7	China	\$123.0
8	<b>Mexico</b>	\$122.2
9	Philippines	\$117.8
10	Netherlands	\$105.3
Utah as % of Total in U.S.		0.58%
Share of UT's top 25		93.8%

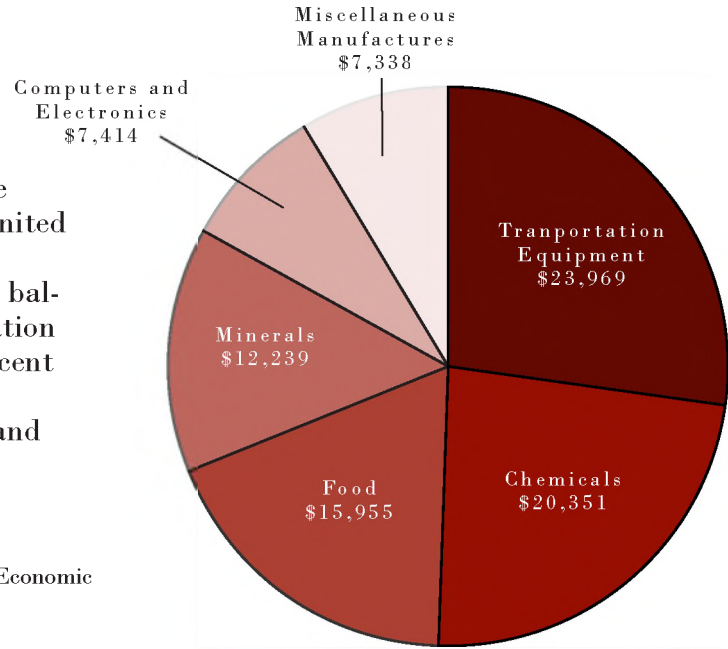
Source: US Bureau of Census, "Foreign Trade Statistics"

## 2. Utah's Exports

Over 1/3 of Utah's total exports are primary metals, gold, shipped to the United Kingdom, Canada and Switzerland.

Utah's exports to Mexico are quite balanced, with the top export, Transportation Equipment, accounting for only 20 percent of total exports to Mexico.

It is closely followed by Chemicals and then Food and Minerals.



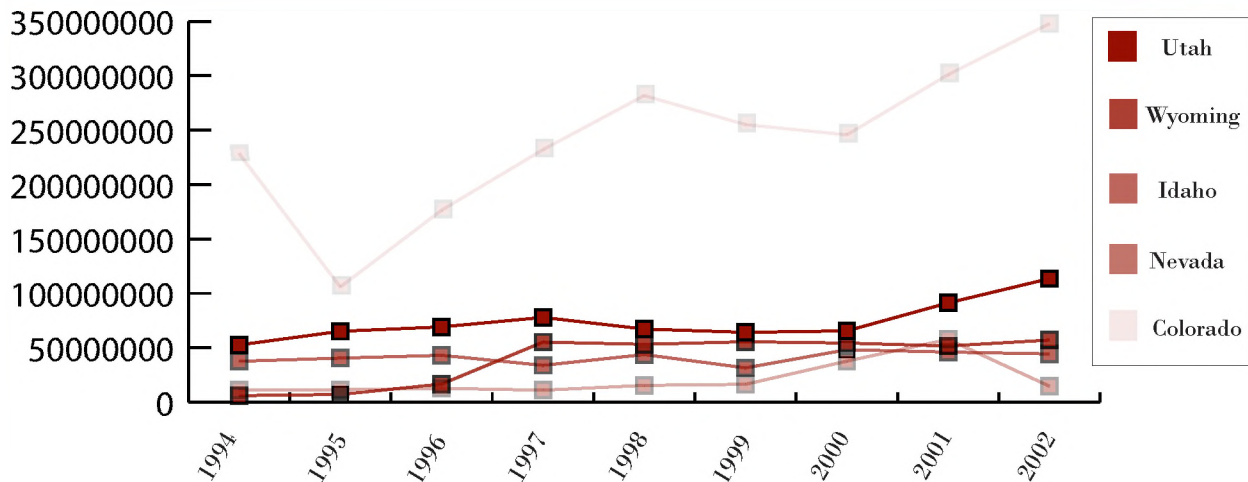
Source: Utah Governor's Office of Planning, "2005 Economic Report of the Governor."

**Table B2.1 Top 6 Utah Exports, Total and to Mexico, (000 of \$ in 2004)**

## 3. Utah-Mexico Exports: State Comparison

Between 1993 and 2003, Utah's merchandise exports to both NAFTA partners, Canada and Mexico, increased from \$392 million to \$655 million, which made Utah the 39th largest exporter to NAFTA (ITA, 2004). The 67 percent increase was the 35th most rapid increase. Concentrating on the trade with Mexico, Utah's exports grew from \$50.4 million in 1993 to \$111.2 million in 2003, ranking 38th. The 120 percent increase in Utah's exports ranked 31st among the fifty states. In comparison with neighboring states, Utah performs quite well, with only Colorado accounting for a significantly larger share of total US exports from non-maquila or border states. (All state comparison are from U.S. DOT, "Transborder Surface Freight Data")

**Table B.3.1 State Exports to Mexico**



The Chart indicates that Utah ranks second to Colorado in total exports. Even more importantly, the growth of Utah's exports to Mexico in recent years has been far faster than any state's except Colorado.

#### 4. Mexican State Destination of Utah's Exports

The diversity of Utah's exports and the absence of maquila and intra-firm auto production also are evident in the destination of Utah's exports. The concentration is much less for Utah's exports than for the maquila states. There is relative balance in

destinations, with Queretaro accounting for \$26 million of Utah's exports in 2002, followed closely by Puebla with \$21 million. The state of Mexico was next with \$12 million, and then there was a decline to the \$8 million exported to Jalisco. Seventy-

six percent of Arizona's exports were to Sonora, and 85 percent went to the top three destinations.

In Utah's case, these numbers were only 23 and 53 percent respectively. Colorado's concentration was comparable to Utah's.

#### 5. Utah Jobs Related To Export Production

The low ranking of Utah in total exports should not diminish the importance of trade to the state's economy. The International Trade Administration (2005) does state-by-state estimates of the link of exports and jobs. They base their estimates on published data and do not describe their methodology. In the case of Utah, they indicate the following effects:

- Export supported jobs account for an estimated 5.9 percent of Utah's total private sector employment.
- Nearly 20 percent (18.8%) of manufacturing workers in Utah depend on exports for their jobs. This excludes jobs from mining and services.
- In 2002, 2,141 companies exported goods from Utah and 1,769 or 83 percent were small and medium-sized enterprises with fewer than 500 employees.
- SME's generated 15 percent of Utah's total merchandise exports in 2002.
- Foreign controlled companies employed 31,100 workers in Utah in 2002, accounting for 3.4 percent of total private industry employment
- Almost one-third of these jobs were in manufacturing and they accounted for 8.8 percent of total manufacturing employment in Utah.

Fry (2002) found ways to claim that the number of Utah jobs "linked to the global economy" was between 170,000 and 200,000.

Section B.10 of the report examines the labor market in a more general context, going beyond a simple relation of exports and jobs.

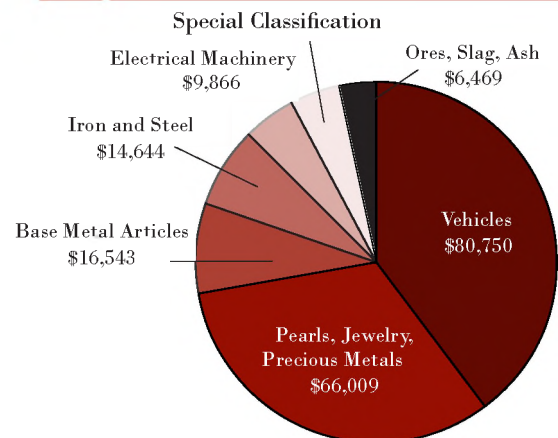
#### 6. Utah Imports

In 2004 Utah imported \$308 million from Mexico, compared with the \$104 million exported. The magnitudes are small by comparison with Canada, the state's top trading partner. Utah imported \$1.314 billion from Canada, while its exports were \$512 million.

The deficit of \$204 million with Mexico is only one-fourth the size of the \$800 million deficit with Canada. The composition of Utah's imports differs from that of US imports from Mexico. Vehicles account for 36 percent of Utah's imports and 16 percent of US imports.

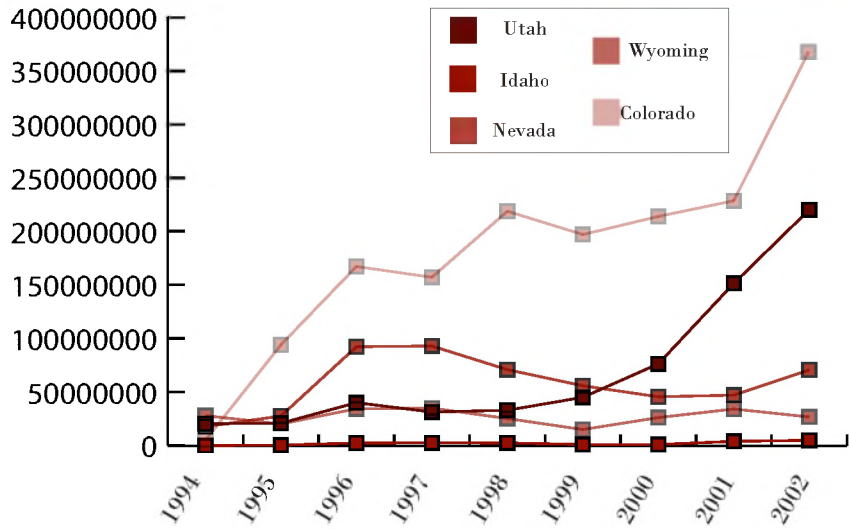
Electrical Machinery, Boilers and Furniture are important in both cases. Utah is less reliant on Mexican oil, though it imports other raw materials in greater proportions, such as precious metals, base metal, iron and steel, ores, and articles of stone and plaster.

**Table B.6.1 Top 7 Merchandise Imports**



## 7. Imports From Mexico: State Comparison

**Table B.7.1 State Imports from Mexico**



Between 1995 and 2002, Utah’s surface imports from Mexico increased from \$20,936,030 to \$219,825,811, more than a ten-fold increase.

The major portion of the increase came after 1999 when imports tripled. As a result of the rapid increase, Utah is the 31st largest importer from Mexico, eight places above its export rank. A comparison of the growth of imports over time shows the rapid growth in recent years in Utah’s imports, exceeded only by Colorado’s.

## 8. Balance Of Trade With Mexico

The United States as a whole is running ever increasing deficits in its balance of trade (\$607 billion in 2004) and current account (\$655 billion in 2004).

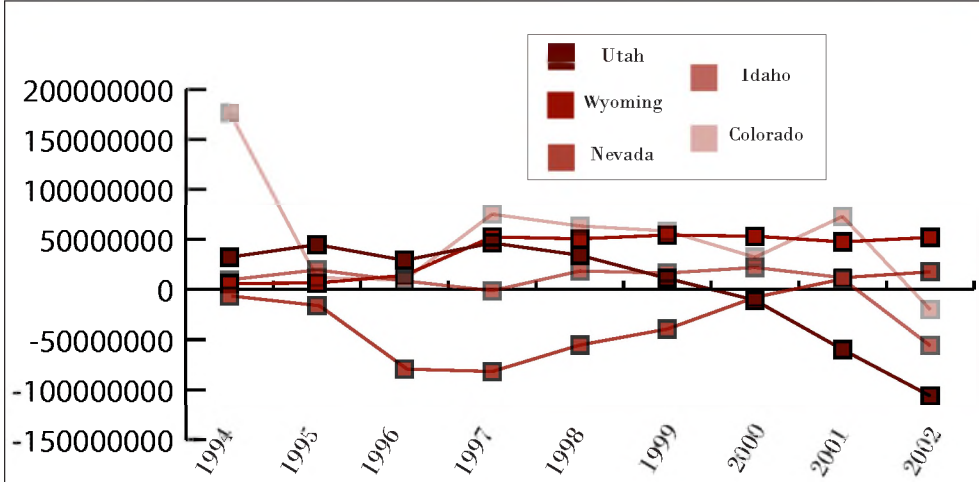
The trade balances with Mexico, Canada and China have become progressively more negative, as has the total trade balance.

Utah has the largest deficit in the inter-mountain area, and it has grown since 1997, the beginning of a rapid increase in imports from Mexico.

It was not until 1999 that Utah’s exports to Mexico accelerated.

The Utah performance parallels the

**Table B.8.1 State Trade Balance with Mexico**



US experience.

Looking ahead to the future, Utah is central to the main western surface route for trade among the US, Canada, and Mexico. Planning has proceeded to improve the surface transit

route so that goods can be transported on four lane highways throughout the trading area, i.e. from Mexico City to Edmonton, Canada.

This is termed the “CanaMex Corridor.” The location of

the Walmart distribution center by St. George and the planned Costco distribution center in Salt Lake indicate the likely importance of surface transportation to this trade and to Utah.



## 9. Mexico and Utah's Labor Market

The recent announcement by Kimberly-Clark that they would move 450 jobs from Utah to Mexico illustrates the complexity of the world labor market in this time of globalization

Earlier in the year, 750 Utah Hospira jobs were moved to California, Connecticut and Mexico.

However, the change in Utah jobs is much more affected by the overall strength of the US economy.

Utah's 3.1 percent unemployment rate in 2000 was 1 percent less than the national rate.

It rose to 5.8 percent in 2003, equal to the national rate. Total employment in Utah rose from 868,783 in January of 1993 to 1,150,573 in January 2005, an increase of 281,790.

The increase from 2001's 3.7 percent unemployment rate to 2002's 5.4 percent rate resulted in an increase of unemployed of 20,818.

These numbers far overshadow the size of recent job losses and even the total number of jobs directly related to exports.

In addition, to the extent that jobs are outsourced, it is likely that China and India will be the job destination rather than Mexico.

The rapid growth of China's exports to Utah af-

fects Utah jobs.

Scott (2005) estimated the net effect on jobs, by state, of changes in the trade balance with China, based on the employment requirements of the goods that are traded in the two countries. As might be expected, China's growing trade surplus led to a net loss of 1,452,000 jobs in the US.

*“The relation with Mexico is important but it is swamped by the business cycle and the role of India and China.”*

Over a fifteen year period Utah lost 12,765 jobs because of the shift in production of goods to China.

The same methodology can estimate the effect of NAFTA on net jobs in the US and in each state since 1993.

The trade deficit with both Canada and Mexico grew over this period, to \$60 billion with Mexico and \$71 billion with Canada.

This implies a net job loss: 941,459 US jobs created by exports and 1,956,750 jobs lost through imports, a net loss for the US of 1,015,290.

In the case of Utah, Scott estimated that in-

creased exports to Canada and Mexico created 7,305 jobs, and imports cost 15,327 for a job loss of 8,022.

When firms do move their production to Mexico from Utah, workers can request trade adjustment assistance. Between 1993 and 2004, there were 161 applications for adjustment assistance, of which 23 were related to NAFTA.

The NAFTA Transitional Adjustment Assistance program (NAFTA-TAA) certified that 2,826 workers lost their jobs in Utah due to NAFTA.

Job losses were due to either Utah businesses moving production to Mexico or Canada or using imports from either country in their production process.

In summary, the relation with Mexico is important for the Utah labor market. However, that is swamped by a series of other factors such as the business cycle and the role of India and China in restructuring world production.

In addition, the role of Mexican citizens, documented and undocumented, in providing labor in the Utah labor market is also an important factor that has more importance than the job effects of changing commercial relations.

The table below indicates the NAFTA job loss certifications that were approved in the year 2001. There is no indication of the jobs were lost to Canada or to Mexico, though Mexico is the more likely destination. There is no comparable information for job relocation to China, India or other countries.

**Table B.9.1 Utah NAFTA-TAA Certifications, 2001**

Company	City	What They Produced	Estimated Workers
Fresenius Medical Care Products	Ogden	Medical equipment	85
Mark Steel Jewelry	Spring City	Jewelry	9
Bard Access Systems Division	Salt Lake City	Vascular access products	100
Kendall Med-West	Salt Lake City	Medical Kits for anesthesia procedure	16
Autoliv ASP	Ogden	Filter and lead wire assemblies	1480
Autoliv ASP	Ogden	Passenger airbag cushions	240
Artex International	St. George	Home linens and aprons	37

Source: Jobs with Justice. 2001. "NAFTA's Impact on Utah."

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## C. INVESTMENT

### 1. Bilateral Mexico – U.S. Foreign Direct Investment

Foreign direct investment forms a central part of the economic relationship between Mexico and the United States.

Since the signing of NAFTA Mexico has greatly reduced its entry barriers to investment from multinational corporations. The stock of U.S. FDI (Foreign Direct Investment) in Mexico has increased from \$17 billion in 1994 to \$66.6 billion in 2004, almost a four-fold increase (BEA, 2005).

Nearly half of total FDI in Mexico is in the manufacturing industry. The 2004 flow of new U.S. direct investment into Mexico amounted to US\$7.4 billion (Banco de Mex-

ico, 2005). The preliminary estimate for the first quarter of 2005 is US\$1.7 billion.

This is approximately 25% below the last quarter of 2004 when U.S. FDI into Mexico amounted to \$2.3 billion.

There is also Mexican FDI in the U.S., though it is much smaller than U.S. investment in Mexico.

The stock of Mexican FDI in the U.S. increased from \$2.1 billion in 1994 to \$7.9 billion in 2004, nearly a four-fold increase.

In 2004 Mexico's FDI accounted for .38 percent of the total FDI in the United States.

**Table C.1.1 US/Mexico FDI Flows, 1994-2004 (Millions of dollars)**

	Mexican FDI in the US (Flow)	US FDI in Mexico (Flow)
1994	1,058	4,457
1995	-263	2,983
1996	-47	2,405
1997	331	5,596
1998	871	4,593
1999	1,273	8,164
2000	5,062	4,203
2001	-716	14,226
2002	2,285	7,656
2003	2,045	4,666
2004	-540	7,424

Source: U.S. Department of Commerce, Bureau of Economic Analysis. <[www.bea.gov/bea/dil.htm](http://www.bea.gov/bea/dil.htm)> Accessed June 5, 2005.



## 2. Mexican Owned Businesses in Utah

As of 1997 there were 1,199,896 Hispanic owned businesses in the United States, 472,033 of these were Mexican owned (US Economic Census, 1997). Of this total 211,864 were businesses with paid employees and 90,755 of these were Mexican owned. Sales of all Hispanic owned firms in the United States totaled approximately \$186 billion and they employed 1,388,746 workers. Mexican owned business sales totaled \$73.7 billion.

Total compensation to workers totaled approximately \$30 billion by all Hispanic owned firms and that by Mexican owned amounted to \$15 billion.

The 1997 Economic Census also provides

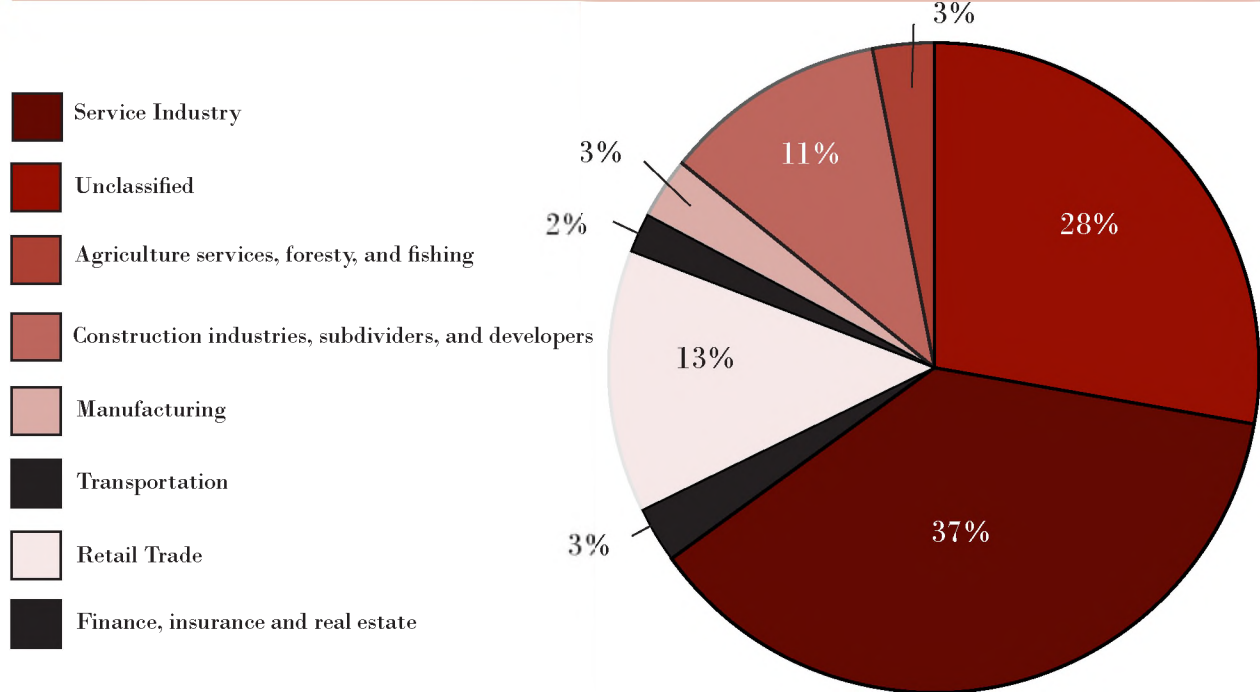
information on Utah. In Utah there were 4,740 firms owned by Hispanics with sales of \$455,385,000.

Of these, 847 had paid employees with total sales of \$372,776,000. These firms employed 5,947 employees for an average of 7 employees per firm, and paid out \$85,310,000 in labor compensation.

During this same year there were 1,834 firms owned by Mexicans with sales of \$227,021,000. Of these Mexican-owned businesses, 495 had paid employees with total sales of \$186,325,000.

They employed 3,243 employees, for an average of 6.5 employees per firm, and had \$46,828,000 in payroll expenses.

**Table C.2.1 Hispanic Businesses in Utah**



Source: US Census Bureau. 1997 Economic Census. < <http://www.census.gov/epcd/mwb97/ut/UT.html> >

### 3. Bank and credit cards

Checking and savings accounts are important ways for immigrants and low-income people to integrate into their local economies and build assets. Credit card use is also a useful measure of financial literacy and the degree to which people take advantage of financial instruments.

Information about the financial literacy of Mexican immigrants in the United States is not available, but data about Hispanics in the U.S. suggests that Mexicans use fewer banking products and services than other groups.

Nationally, 65 percent of Latinos in the United States say they have a bank account, compared to 95 percent of whites and 76% of African-Americans (PEW/

Kaiser Foundation “Survey of Latinos” 2002). The same study found that 51 percent of Latinos report having a credit card, compared to 77% of whites. Latinos with household incomes under \$50,000 are much less likely to use these traditional financial resources than whites and than Latinos of earning more than \$50,000. Native-born Latinos, approximately 51 percent in the Mexican case, are more likely than foreign-born Latinos to have credit cards and an account with a bank.

These trends are similar in Utah, where Hispanics use fewer financial products than the state average. In the Salt Lake Metropolitan Area, 68% of Hispanics have savings accounts (vs. 80% for the state) and 66% have

some kind of credit card (vs. 76% of the overall population).

Hispanics are also one-half to one-third as likely to have investment assets, such as mutual funds, tax-exempt retirement accounts, stocks and bonds.

Two-thirds of Hispanics in the Salt Lake metropolitan area have no investment assets, compared to 37% of the overall population, and only 12% of Hispanics have 401-k accounts and 6% have IRA accounts, compared to 26% and 16% of the state population as a whole.

On the other hand, Hispanics demand certain financial services such as auto loans, home equity loans, and personal loans, on par or in excess of the general population.

#### C.3.1 Credit Cards and Bank Accounts

						Among Latinos		
	Latinos	Whites	African Americans	Foreign-Born Latinos	Native-Born Latinos	Spanish Dominant	Bilingual	English Dominant
<b>Have a credit card</b>	<b>51%</b>	<b>77%</b>	<b>54%</b>	<b>47%</b>	<b>58%</b>	<b>40%</b>	<b>64%</b>	<b>58%</b>
<b>Total</b>								
By Household Income								
Less than \$30,000	43	63	NA	43	44	40	54	42
\$30,000-<\$50,000	58	78	NA	59	56	56	64	53
\$50,000 +	84	88	NA	84	85	NA	88	86
<b>Have an account with a Bank</b>	<b>65%</b>	<b>95%</b>	<b>76%</b>	<b>58%</b>	<b>77%</b>	<b>50%</b>	<b>51%</b>	<b>51%</b>
<b>Total</b>								
By Household Income								
Less than \$30,000	54	91	NA	51	61	47	66	62
\$30,000-<\$50,000	79	93	NA	76	82	72	82	83
\$50,000 +	96	99	NA	92	98	NA	97	98

Source: Pew/Kaiser foundation. 2002 Survey of Latinos (2002). <<http://pewhispanic.org/files/reports/15.pdf>> Accessed July, 17,2005

## 4. Real Estate in Utah

Home ownership is an important way for people to build assets, but immigrants and Latino populations often face significant obstacles in purchasing homes. According to the 2000 Census, the total number of housing units in Utah was 768,594, with a median value of owner-occupied units of \$146,100 and a median gross rent of \$597.

A study done by the National Council of La Raza found that high-cost sub prime mortgages accounted for more than 40% of

Hispanic mortgages in 2002, compared with 18% for whites (Bowdler 2005). Less than half of Hispanics in the nation own a home. In Utah 45% of Hispanics own their own home (compared to 60% of the overall population) and 25% of Hispanics have home mortgages (compared to 37% of the overall population) (Experian-Scorex 2005). The following is a list of Utah Housing programs that may assist Mexicans with home ownership.

- Olene Walker Housing Loan Fund
- Utah Housing Corporation
- Individual Development Accounts
- U.S. Department of Agriculture Rural Housing
- Salt Lake City American Dream Downpayment Initiative
- Salt Lake City Neighborhood Housing Services
- Salt Lake City Housing and Neighborhood Development

## 5. Remittances

Remittances are the portion of migrant workers' earnings that are sent back to their countries of origin. They are a common means of financial support to family members remaining behind. In fact the possibility of sending remittances back to family members is one of the most common motivations cited by Mexicans for undertaking labor migration to the United States.

Remittances to Mexico, which reached a record of \$16 billion in 2004, have more than doubled since 2000 and have grown four-fold since NAFTA went into effect in 1994 (Banco de México 2005). (See Table 5.1)

The explosive growth of

remittances to Mexico over the past decade are a direct result of increasing migration of Mexicans to the United States, coupled with new technologies that make it easier and cheaper to send funds to families back home.

As such, remittances reflect the increasing social and economic integration of the United States and Mexico (Suro 2003: 4).

Remittance flows hold great potential for financial integration between Utah and Mexico.

This financial flow represents opportunities for both Mexico and the United States, and in particular for banks and business in states like Utah that are receiving

more Mexican immigrants each year.

Remittances also serve as a point of entry through which a broad segment of the Latino population in the United States engages with banks, credit unions, and other financial institutions (Suro et al. 2002).

However there are many obstacles that inhibit these positive synergies from developing, including elevated transaction costs, financial illiteracy, distrust of banks by Mexican immigrants, state policies that discourage the integration of immigrant populations, and inefficient methods of receiving remittances in Mexico.

**Table C.5.1 Remittance Flows From the U.S. To Mexico, 1989-2005<sup>3</sup>**

Year	Remittances (Millions of USD)	Change from previous year
1989	1,680	---
1990	1,980	17.9%
1991	2,414	21.9%
1992	3,070	27.2%
1993	3,333	8.6%
1994	3,475	4.3%
1995	3,673	5.7%
1996	4,224	15.0%
1997	4,865	15.2%
1998	5,627	15.7%
1999	5,910	5%
2000	6,280	6.3%
2001	8,895	41.6%
2002	9,815	10.3%
2003	13,266	35.2%
2004	16,613	25.2%
2005*	9,278	17.8%

Source: CODUSEE Bank of Mexico. \* Figures are for January-June, 2005 as reported by the Bank of Mexico

<sup>3</sup> There is some controversy surrounding the way that remittances are quantified in Mexico. Mexican Central Bank estimates omit so-called “commuter remittances” that are carried into Mexico by Mexican workers living along the U.S.-Mexico border, as well as other remittances that migrants carry on return visits. (Zarate 2005) On the other hand, research by Corona (2000) and Corona and Santibañez (2004) suggest that Bank of Mexico data overestimate the actual size of remittances (see also Lozano 2004). We choose to use Bank of Mexico data because it is the only source of time series data on remittances, and because they are the official figures used by the Mexican government.

Some of this increase is also due to changes in the way the Bank of Mexico measures remittances (beginning in 1994) and to improvements in the bank’s ability to identify and measure remittance transfers (Lozano 2004).

## Remittances from Utah

According to research conducted by the Inter-American Development Bank (IDB) in 2004, \$164 million dollars of remittances to Latin America originated in Utah, ranking Utah 20th among sending states.

The average amount sent by each Latino resident in Utah was \$1,785 per year, which is below the national average of \$1,804 per Latino resident.

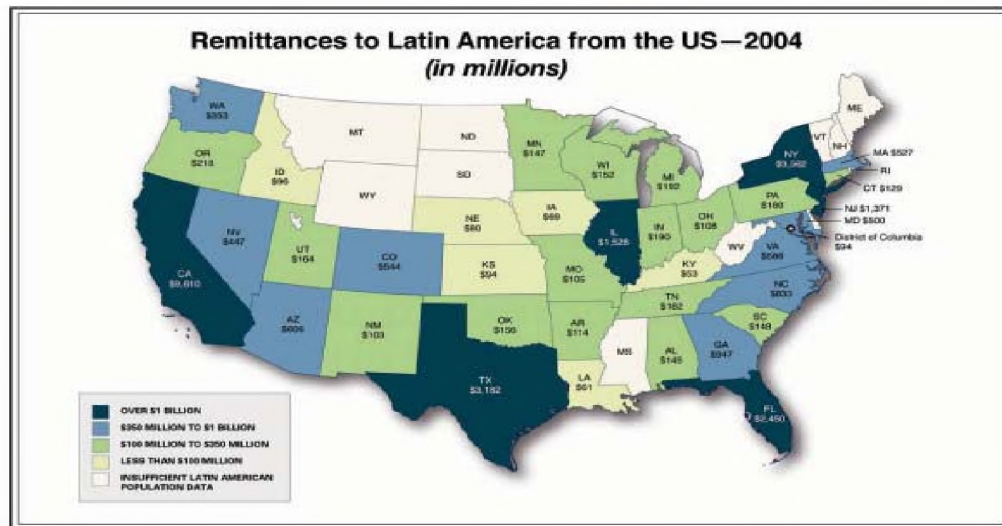
Utah ranks 30th in the average amount

sent home by each resident, far behind states like Maryland, North Carolina, Alabama and Georgia, where immigrants send on average more than \$2,700 each year.

Neighboring states like Colorado, Arizona, and Nevada send up to four times more remittances than Utah, in part because of larger immigrant populations, and in the case of Colorado, also because immigrants send more money home each year on average.

Figure C.5.2 Total Money Sent

## Total Money Sent



Source: IDB-MIF: [http://www.iadb.org/exr/remittances/images/Remesas\\_USMAP2004](http://www.iadb.org/exr/remittances/images/Remesas_USMAP2004)

The IDB study does not document the destination of remittances, but it is possible to estimate the size of remittances from Utah to Mexico using estimates of the size of the Mexican immigrant population in Utah.

The IDB study estimates that there are 91,868 immigrants from Latin America living in Utah, of which 66,478 or 72.4% were born in Mexico (Census Bureau).

Using this proportion yields an estimate of \$118.7 million in remittances flows from Utah to Mexico. The IDB study also provides the following information on Utah and remittances:

- 65% of Latin American immigrants in Utah send money to relatives in their home country. The highest percentage is 84% for

residents of North Carolina, the lowest is 38% for residents of New Mexico.

- On average, Latin American immigrants in Utah make 11.5 transfers each year.
- The average size of each transfer from Utah is \$240.

Several factors affect the amount and frequency of remittance payments by immigrants in the United States.

The most obvious factor is income: immigrants who earn more money are more likely to make larger and more frequent transfers to Mexico. In Utah, Mexican immigrants earn on average \$18,138 per year, with documented immigrants earning \$19,523 and undocumented immigrants earning \$16,467.



This is far below the national average annual earned income of \$30,916 (see Section A.2). Second, the length of stay also seems to be important.

According to the 2003 National Survey of Latinos conducted by the Pew Hispanic Center and the Kaiser Family Foundation, remittance senders are concentrated among the more recently arrived immigrants. About half of all Latin American immigrants who have been in the U.S. for ten years or less are regular remittance senders, while the money flow drops off among those with longer

tenure (Suro 2003). Third, the ease and cost of sending remittances is a factor influencing people's decisions about how much and how frequently to send money. Most money transfer companies like Western Union and Moneygram, which handle the vast majority of transfers, charge flat rates for sending money to Mexico. Banks tend to charge lower fees for money transfers, but the fact that recent immigrants tend not to open bank accounts inhibits the size of remittance flows.

<sup>4</sup> These are probably conservative estimates of the actual remittance flows from Utah to Mexico in 2004, given that Census studies typically undercount undocumented immigrants, and given that the size of the Hispanic population in Utah has grown by an estimated 25% since 2000 (Census Bureau).

In August 2005, Western Union charged \$14.99 for a \$300 online money transfers to Mexico; MoneyGram charged between \$10 and \$18 for similar transactions.

## Impact of Remittance Flows from Utah on Mexico

Remittances are rapidly becoming an important source of capital in Mexico and are key to Mexico's macro-economic stability and growth in the future.

Remittance flows bring in more money than tourism and are second only to oil as a source of revenue for the Mexican economy. They generally far exceed the economic aid and direct foreign investment coming to Mexico from the United States (Banco de México 2005).

More directly, remittances are an important source of income for millions of families, especially women and children. According to research by the Multilateral Investment Fund (MIF) of the IDB and the Pew

Hispanic Center, 18% of Mexican adults receive remittances from abroad. These remittances flow to all sectors of Mexican society, to both urban and rural areas, and to virtually every state.

The large remittance flows from the United States to Mexico also create an opportunity for closer financial integration between banks in the two countries. Some of the largest banks in the United States, such as Bank of America, Citibank, and Wells Fargo, as well as regional banks such as Zion's, have moved aggressively to partner with Mexican financial institutions to offer less expensive ways to send remittances to Mexico. This also encourage senders and

receivers to open savings accounts. For example, Wells Fargo's Intercuenta Express accounts allow senders to transfer remittances from their accounts directly to the beneficiary's account at one of Wells Fargo's partner banks in Mexico.

Recipients can then access this money using their bank's ATM or debit card. These products have the potential to lower transaction costs for remittances through increased competition. For example, it currently costs \$60 to send \$2000 to Mexico through a money transfer with Western Union, whereas Intercuenta account holders can send up to \$3000 for an \$8 transfer fee plus a \$10 annual fee.

## Impact of Remittances on Utah

The most obvious impact of remittances on Utah is financial. The financial benefits come primarily from the capture of transaction fees and, potentially from the deposits captured by banks and credit unions. We estimate fees from remittance transactions between Utah and Mexico generated \$7.5 million in revenue for local businesses in 2000, and as much as \$9 million in 2004. These estimates do not include check cashing fees or revenue from advantageous exchange rates used by money transfer firms.

## D. TOURISM

### 1. The Tourism Industry In Utah

With its abundance and variety of recreational areas and activities, Utah has always been a destination for outdoor enthusiasts. Following worldwide exposure from hosting the 2002 Olympic Winter Games, state legislators and businesses are striving to capitalize on Utah’s tourism potential, both nationally and internationally. In the United States, tourists spent \$523 billion in 1999, and \$4 billion of that was spent in Utah (Robson 2001).

In the past, the state budget only allotted \$900,000 for tourism branding and

marketing, but new legislation has provided the Utah Office of Tourism with \$10 million during this fiscal year to develop a program to attract visitors. Utah’s tourism budget formerly ranked 42nd in the United States, but with this budget increase, it will now be among the top 15 states in the country. Governor Jon Huntsman, Jr.’s goal is to increase the number of tourists who visit Utah by 5 million annually (Wallace, 2005).

Table D.1.1 provides a sense of the contribution of tourism revenues to the economy of Utah in 2004.

**Table D.1.1 Utah Tourism General Economic Statistics**

<i>Total Economic Impact</i>	<i>Number of Visitors to Utah</i>	<i>Employment in tourism</i>	<i>Tax Equivalent from tourism</i>	<i>Return on Investment from Tourism Advertising</i>
Nearly \$5 billion direct; \$10 billion direct and indirect	Approx. 17.5 million in 2004	10% of state’s employment; ranked 6th, or 3rd if all elements considered	\$444 per household per year	8-to-1

Source: Utah Office of Tourism, 2005; Robson 2001

### 2. Utah-Mexico Tourism

In 2004, the U.S. Department of Commerce’s International Trade Administration estimated that the number of international tourists visiting the United States was over 46 million. These statistics do not count visitors who remain within 25 miles of the border. Of these 46 million visitors, more than one quarter or 11.9 million came from Mexico. Only Canada exceeded Mexico in the number of visitors coming into the United States, with 13.9 million (ITA, 2005).

According to the Utah Office of Tourism, 9.8 million international tourists

visited Utah in 2004, but they do not have specific data for Mexican nationals. They estimate that approximately 1% of Utah’s international tourists are from Mexico, or approximately 98,000 people per year (Utah Office of Tourism, 2005). This seems an underestimate. Nationwide 56 percent of Mexican visitors come for vacation/holiday, 47 percent to visit friends or relatives, 23 percent on business, and 9 percent for conventions (ITA 2005).

It is likely that the vacation share in Utah is higher, though there is no precise

estimate available.

Mexico is the largest travel destination for United States tourists traveling abroad. In 2004, 19 million visitors went to Mexico, accounting for 31 percent of the total. Of those total visits, 38 percent were for vacation, 33 percent for visits to friends or relatives, and 22 percent for business.

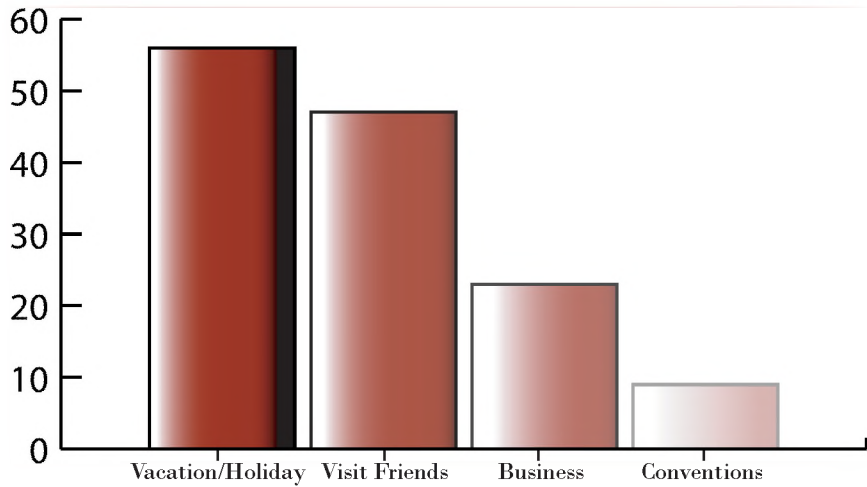
There are no data that would allow estimates for Utah. (ITA 2005)

The ski and snowboard industry is a very significant component of Utah tourism.

The best information available about this segment

of the tourist industry is a survey 2002-2003 by Ski Utah. Total aggregate expenditures in Utah by out-of-state/international skiers for the 2002/2003 season were estimated to be approximately \$695 million, \$160 million of which was airfare (Ski Utah, 2003). If one percent of the skiers were from Mexico, they would have spent \$7 million just on skiing. The average skier spends \$537/day in Utah.

**Table D.2.1: Reasons for Mexican visits to U.S.**



### 3. Religious Visitation

Salt Lake’s Church of Jesus Christ Latter Day Saints (LDS) Temple has long been an icon of the state’s religious history, and attracts millions of visitors. A large percentage (18%) of Non-foreign church members reside in Mexico. Thus it is likely that many church members travel from Mexico to Utah to visit the Salt Lake Temple and other statewide locations of religious and historical significance for LDS church members.

**Table D.3.1 LDS Church Membership Distribution (31 December 2004)**

United States	5,599,177	Europe	440,945
South America	2,904,085	South Pacific	396,104
Mexico	1,013,071	Africa	220,798
Asia	865,987	Canada	169,633
Central America	527,511	Caribbean	138,511

Source: LDS “Newsroom”: <http://www.lds.org/newsroom/page/0,15606,4036-1---12-168,00.html> <Accessed June 21, 2005>



## 4. Tourism and Utah's Job Market

Economists cite the growing economy, the preparation for the 2002 Winter Olympic Games, and statewide structural economic changes as factors that have led to increasing demand for the types of jobs that immigrants have traditionally occupied, namely service sector jobs and construction (BEBR, 2004).

According to Census 2000 data, twelve of the top twenty-five occupations of the Utah Foreign-Born Population were tourism-related.

In addition, the concentration of foreign born in many of these occupations, particularly those that are among the lowest paying, is far higher than in the overall working population.

For example, there are 5.5 times as many foreign born workers who are dishwashers

than would be expected from their share of Utah labor force.

This highlights their centrality to the orderly functioning of the hospitality industry. Consequently the three cities in Utah with the largest percent of foreign-born residents, Wendover (46.3 %), Park City (19.4%), and Salt Lake City (18.3%) are also very large tourist venues and rapidly growing business and residential communities.

Therefore, while the tourist relationship between Utah and Mexican tourists is not completely balanced, the tourism industry itself could not have grown as much as it has in recent years, and probably cannot grow in the future, without the labor provided by Mexican nationals that have immigrated to Utah.

**Table D.4.1 Tourism-Related Occupations of Utah's Foreign-Born Population**

Rank (out of 25)	Occupation	Estimated No.	Relative Concentration
2	Cooks	4,243	3.0
3	Maids/Housekeeping	4,076	5.4
4	Construction Laborers	3,990	3.5
5	Janitors/Building Cleaners	3,589	1.8
7	Cashiers	2,651	0.9
8	Grounds/Maintenance Workers	2,634	3.6
10	Retail Salespersons	2,131	0.6
11	Customer Service	1,947	0.7
12	Waiters/Waitresses	1,907	1.2
17	Food Preparation Workers	1,589	2.8
23	First-Line Supervisors/Managers of Retail Sales Workers	1,182	0.4

Source: BEBR 2004

## E. ECONOMICS OF EDUCATING THE UNDOCUMENTED

### 1. Size of Program

Utah currently allows any one who has attended a state high school for at least three years and has graduated from a Utah high school to qualify for in-state tuition. In 2002, HB144 clarified that students without lawful immigration status could also qualify.

They were differentiated from “aliens who are present in the United States on visitor, student, or other visas which authorize only temporary presence in this country... and who therefore...do not have the capacity to intend to reside in Utah for an indefinite period and therefore must be classified as nonresident.” (USHE, R512)

This implicitly recognized the existence of communities of undocumented, which include young adults, and represented a decision to offer opportunities to their best and brightest.

Presumably this would improve the well-being of those communities, particularly as their younger members take on more responsible

roles.

The alternative is to deny their existence and to force them into the underground where the communities are likely to be increasingly dysfunctional.

Section A of this report on “Mexicans in Utah” shows how large these communities have become and suggests the importance of dealing with them through creative public policy.

Utah is one of seven states that provide access to higher education at reduced cost.

Through high school, access is guaranteed. In 1982 the U.S. Supreme Court in Plyler v. Doe ruled that all children are guaranteed access to K-12 public education, regardless of immigration and legal status.

The court decisions and subsequent legislation mandated such access in recognition of the benefits to society in educating all who are physically present in a community, regardless of income, citizenship, handicap, etc. Such education is a public

good: all benefit from an educated citizenry.

Let us look first at the size of the Utah program. Six institutions of the USHE provided in-state tuition to 117 undocumented individuals in 2003-2004. They indicate that \$299,905 of out-of-state tuition was foregone.

These waivers account for a small proportion of the \$44,896,556 in total tuition waivers granted to over 5,000 students for that year, in the 16 authorized waiver programs.

For example, waivers of non-resident tuition were given to “border” students that year, primarily by Utah State (Idaho) and Dixie State (Nevada-Arizona).

The cost of the waived tuition in that program was \$1,066,334.

The final row in the table calculates the actual tuition that these students paid as in-state students.

This calculation indicates that they paid \$119,962 in tuition for the academic year 2003-2004, based on the estimated tuition waived.

**Table E.1.1 Undocumented Utah High School Graduate Waivers, 2003-2004**

	U of U	USU	WSU	SUU	UVSC	SLCC	Total
Headcount Students	14	3	7	2	30	61	117
Amount Waived	\$45,976	\$15,439	\$21,048	\$10,728	\$94,740	\$111,974	\$299,905
Average Amount	\$3,284	\$5,146	\$3,007	\$5,364	\$3,158	\$1,836	\$2,563
Tuition Paid	\$18,390	\$6,176	\$8,419	\$4,291	\$37,896	\$44,790	\$119,962

Source: Utah State Board of Regents, “Utilization of Statutory Waiver Programs (2003-2004 Actuals)”

## 2. Direct Fiscal Impact

The common assumption is that the amount waived represents a loss of tuition revenue.

However, if the waiver provided access to higher education for students who otherwise would not have attended, there may be a net gain in tuition actually paid.

Since the same numbers imply that these 117 students paid \$119,962 in resident tuition to the six USHE institutions they attended, using the regents' figures, the range of fiscal impact is from plus \$119,962 to minus \$299,905 or close to \$420,000.

The only way to calculate the fiscal impact is to know—or estimate—the number of such students

who would have attended the USHE if the waiver program did not exist.

There is no way to estimate how many students without normal immigration status attended the University of Utah prior to 2003. Table E.2.1 simulates the fiscal impact.

The range is from a cost of \$233,298 in foregone tuition in the unlikely case that all would have enrolled without the waiver to a tuition gain of \$92,571 if the waiver was the reason students enrolled.

If some, for example four, but not all, would have enrolled, there is a net gain of \$22,381.

The numbers suggest that

repealing the waiver program would actually result in a tuition loss.

It appears that the tuition paid by the students plus the taxes that they and their families pay as a share of the tax support for higher education more than offsets the cost of the tuition waivers. In addition, in recent years, the state has underfunded student credit hour increases, requiring the institutions to absorb the cost of additional students.

In the case where there was no added state funding, any cost the program entailed would be completely absorbed by the institution attended. This would again reduce the state fiscal cost.

**Table E.2.1 Simulations Fiscal Impact U of U HB 144 Students, 2003-2005**

	Fall,03	Spring, 04	Fall,04	Spring,05	Fall,05	TOTAL
Number of Students	13	11	26	22	28	
Credit Hours	141	106	263	245	Admits	
Tuition Paid	\$15,274	\$11,764	\$34,229	\$31,304		
Tuition Waived	\$38,500	\$29,737	\$86,378	\$78,683		
<b>Fiscal Impact</b>						
Zero Increase in Students	-\$38,500	-\$29,737	-\$86,378	-\$78,683		-\$233,298
Increase From Four	-\$1,272	-\$3,327	\$15,674	\$11,306		\$22,381
All New Students	\$15,274	\$11,764	\$34,229	\$31,304		\$92,571

### 3. Hispanic and Undocumented Education In Utah

Access to higher education for the undocumented cannot be understood without placing it in the broader context of the educational experience of the Hispanic community, both in the US and in Utah.

It is well-known that the Hispanic population is far behind the total US population in educational participation and achievement.

For example, 80.4 percent of the US population have at least a high school degree, but only 52.4 percent of Hispanics have graduated from high school; 24.4 percent of the US have at least a bachelor's degree compared with only 10.4 percent of Hispanics (US Census, 2004).

As noted in section A, Mexican heritage dominates Utah Hispanics.

At the national level 45.8 percent of Mexicans have at least high school, and 7.5 percent at least a bachelor's. Both are lower than the total population and all Hispanics.

Recall that only 32 percent of Utah's Mexican immigrants have at least a high school diploma.

Thus improving the education of Hispanics is a major challenge in Utah, and providing higher education to the undocumented is

a small but important part of this challenge.

Some sense of the degree of challenge, and Utah's flagging performance, come from the recent "achievement gap" study by the Utah State Office of Education.

It showed that the proficiency gap between Anglo and Latino students in Utah, in math and in reading, has increased between 1992 and 2003, and that there is now a gap between Utah Latinos and US Latinos.

Figure E.3.1 below shows that only 11 percent of Utah's Hispanic 4th grade students were proficient in reading, compared with 14 percent of US Hispanics.

This compared unfavorably with the 35 percent proficiency of Utah's white 4th graders, though they were also 4 percent behind the US whites.

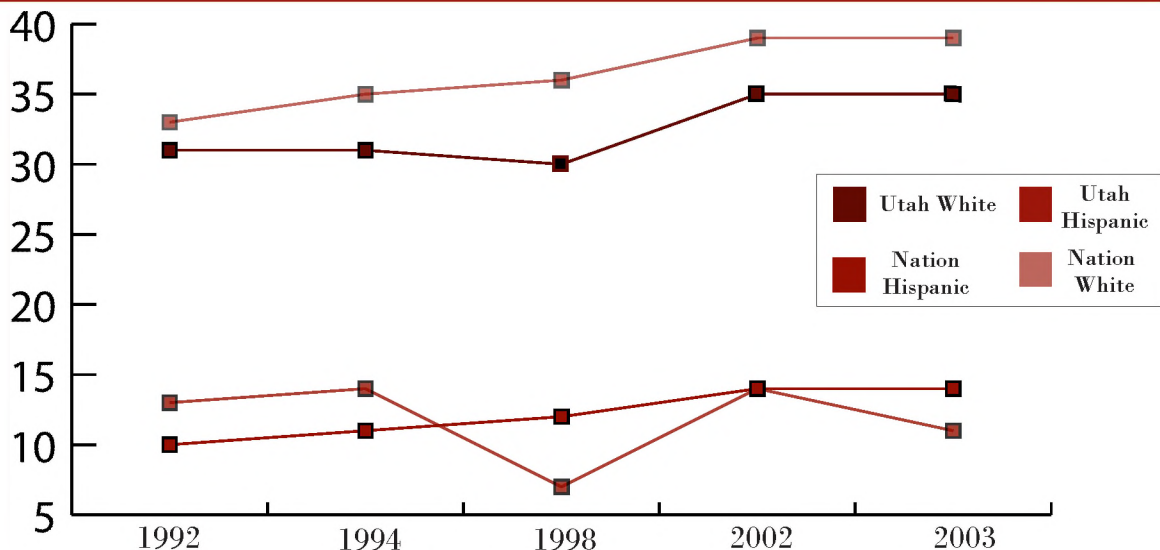
In Utah the white-Hispanic gap has grown from 18 percent in 1992 to 24 percent in 2003. Nationally the gap has grown from 21 to 25 percent.

In 1992, Utah Hispanic children were above the national average by 3 percent; in 2003 they were 3 percent behind.

There are enough difficulties with the data that strong claims should be avoided.

However, the Latino education gap is un-

Figure E.3.1



Source: Utah State Office of Education, Trends and Patterns of Utah's White and Hispanic 4th Grade Students Compared to the Nation: An NAEP Achievement Gap Analysis (June 2005) < [http://www.usoe.k12.ut.us/eval/\\_NAEPI/default.htm](http://www.usoe.k12.ut.us/eval/_NAEPI/default.htm) > Accessed August 11, 2005.

deniable and any improvements in Hispanic educational accomplishments can only be beneficial to society as a whole.

Let us look in greater detail at the educational status of Utah's Hispanics, and of those who report themselves as Mexican, whether born in the US or in Mexico. Table

E. 3.1 shows that in Utah there is a clear break in Hispanics' relative educational attainment after high school. A higher percentage of Utah Hispanics have a high school degree than in the US as a whole, 52.7% compared with 49.5%. The same is true of Hispanics who report themselves as Mexican.

**Table E.3.1 Educational Attainment of US/Utah Hispanics**

	All Hispanics		Mexican Hispanics					
					Born in Mexico		Born in the U.S.	
	US	Utah	US	Utah	US	Utah	US	Utah
At least HS	49.5%	52.7%	43.3%	46.3%	28.11%	33.0%	65.6%	69.1%
At least Assoc.	11.8%	9.9%	8.5%	7.5%	4.7%	4.7%	13.9%	12.2%
At least Bachelor	8.4%	6.4%	5.8%	4.7%	3.3%	2.8%	9.3%	8.0%

Source: US Census, IPUMS Dataset (5% sample)

In Utah, 46.3% of Mexican Hispanics have a high school degree, compared with the national value of 43.3%.

If Mexicans are further subdivided into those born in the US and those born in Mexico, the pattern continues. Utah's US born Mexicans have a higher rate of high school completion than those in the country as a whole 69.1% versus 65.6%.

Those born in Mexico, thirty-three percent of Utah's Mexicans born in Mexico have high school degrees (the highest percent in the intermountain west-see Table A.1) whereas the figure is 28.1% in the US.

For our purposes, the data show that the Mexican immigrant population represent the greatest educational challenge for Utah, and the challenge is greatest at the university level.

In addition, there may be a relation between high school education and access to higher education, especially for the undocumented. Hispanic high school dropout rates are obviously quite high, and there is a belief

that being precluded from college may increase the tendency to drop out, as it will put a "paper ceiling" on how far a student can aspire to go. All of the categories show that Utah's Hispanics and Mexicans are far behind national averages in attaining bachelor's degrees.

Such degree holders are likely to be the leaders in their communities, and this is exactly the group that HB 144 was designed to serve.

Finally, Hispanic students will become an ever larger share of Utah's students in coming years. In 2001-2002, Hispanics accounted for 5.2% of Utah's high school graduates.

Given current school enrollments, in 2011-2012 they will account for 14.9% of the graduates, and by 2017-2018 that share will rise to almost 24%.

Unless a significant share of these graduates can be provided college education, the state's economic development will likely lag behind states that succeed in providing such education. Again, HB144 can play a positive role in this regard.

*"...in Utah there is a clear break in Hispanics' relative educational attainment after high school."*



## 4. Private Return to Higher Education

The tuition waiver program, with 16 categories of potential waivers, is designed to facilitate college attendance by special categories of students, i.e. National Guard members, public school teachers, meritorious undergraduates or graduates.

When such a program increases college attendance, the individuals involved benefit. The private rate of return to higher education takes into account both its economic costs and its economic benefits.

The rate of return has been found to be quite high in all studies. International studies place the world rate of return at 19.9%, though it is highest in low income countries with fewer college educated citizens (Psacharopoulos, 1994).

Leslie and Brinkman (1988) found the rate of return to be stable at 12 percent. These are high rates of return on investment, e.g. ten-year treasury bonds in September were paying 4.25 percent return, indicating that the resources spent on education will be well spent.

Another useful measure, although it omits the cost side, is the effect of education on lifetime earnings. Day and Newburger (2002) estimate that a high school graduate will earn \$1.2 million over his or her working life.

Some college will raise that amount to \$1.5 million, an Associate's Degree to \$1.6 million and a Bachelor's Degree to \$2.1 million. In ad-

dition, the gap between high school graduates and bachelors has increased substantially over time, reflecting the different wage experience of skilled and unskilled workers.

In 1983 the average wage of a bachelor's degree holder was 1.5 times the average of a high school graduate. By 1999 that multiplier had risen to 1.8. IHEP (2005) calculated the difference in personal incomes in 2003 for Utah and found that the bachelor degree holder's

*“...the effect of higher education on an individual's welfare in Utah is higher than for the country as a whole...”*

personal income was 2.04 times that of the high school graduate.

This is partly the result of the lower unemployment rate among bachelor degree holders, 1.9 percent versus the high school graduate's 4.0 percent in 2003.

This suggests that the effect of higher education on an individual's welfare in Utah is higher than for the country as a whole, indicating a very high value for higher education in the state.

Since at least 8 of the 2003 HB144 students and 11 of the 2004 group were Hispanic, the effect on Hispanic earnings is of interest.

On average for the U.S., Hispanics' earnings will be less than White, Non-hispanics.

Nonetheless, a Hispanic

bachelor degree holder will earn \$1.7 million over their working life, compared with \$1.1 million for a Hispanic high school graduate (Day and Newburger, 2002, Figure 7).

Another tangible impact is the effect on Hispanic participation in college education.

As noted above, Hispanic participation in education at all levels is lower than the national average.

In most measures of education, e.g. percentage with college degrees, Utah is better than the US average overall, but worse for Hispanics.

Thus increasing access to college for Hispanic youth would address to the conclusions of the recent study funded by the Gates Foundation: “the greatest impact, from an economic standpoint, is to focus on those students who have the greatest opportunity to benefit. This suggests targeting first-generation, low-income students” (Williams and Swail, 2005).

The actual effect of college attendance on the income of the students now in the HB144 program will differ from the national average, depending on their labor market experience upon finishing their studies.

Receiving in-state tuition will by definition raise the private rate of return. The more important question is its effect on the total amount of education received by the undocumented.

We have no relevant information on the expected income of these students, since that will be determined by national policy toward the undocumented and its effect on the labor market.

The DREAM Act introduced by Sen. Hatch and the Student Adjustment Act introduced by Rep. Cannon

would deal with this directly by specifically allowing states to set tuition policy and by facilitating regularization of students' status. This would make it more likely that Utah would reap the benefits of the HB144 students' education.

In any case, there is a very high private rate of

return to the students who are able to attend college through the HB144 waiver. The benefits are economic, but also social.

The size of the benefits gained is likely to be increased by the scarcity of Hispanics in higher education, both in Utah and in the U.S.

## 5. Public Return to Higher Education

The more common reason for a state tuition waiver program is the "public return" from facilitating college attendance by members of the group receiving the waiver. Senior citizens, police or fire fighter survivors, and border waivers all reflect this goal.

However, there is a social return to all higher education. For example, Bosworth and Choitz (2005) found that among the 75 largest metro regions in the U.S. in 1980, the ten with the most college graduates had annual per capita income growth of 1.8 percent between 1980 and 1997.

The lowest ten grew only at a 0.8 percent rate. This suggests that raising the average level of college education through programs such as HB144 has state-wide benefits.

For example, IHEP (2005) found the following differences between high school and college graduates in Utah:

- 0.7% of high school graduates received public assistance in 2003 and 0.0% of college graduates
- 30.8% of high school graduates had ever volunteered compared with 41.7% of college graduates
- 51.7% of high school graduates voted in 2000, while 76.3% of college graduates voted

While undocumented immigrants cannot receive public assistance nor vote, these indicators suggest that education produces people who are more involved in their com-

munities and thus will contribute to healthier communities and to the social good.

Goetz and Rupasingha (2003) estimated the effect on state per capita income of both higher education and the presence of high tech firms, which are dependent on an educated labor force.

Across the United States, they did the same estimates that each percentage point increase in the share of college graduates in the population raised per capita income by \$339. Each additional high tech firm per 10,000 population raised per capita income by \$704.

Using county level data, the same estimates by state found that each percentage increase in the share of the college educated would raise Utah's per capita income by \$152.

The effect is 3.19 times the effect of another year of high school, among the highest in the country.

The effect of one more high tech firm is even larger. Once again, improved access to higher education has significant public benefits.

However, the social impact depends upon the particular community experience that the HB144 students will have.

This depends upon the dynamics of the Hispanic community, and particularly of the undocumented segment of that community.

This issue leads us back to Section A of the study and the growing importance, and vitality of the Hispanic population of Utah.

The salient point is that US policy,

*"...each percentage increase in the share of the college educated would raise Utah's per capita income by \$152. The effect is 3.19 times the effect of another year of high school, among the highest in the country."*

Mexican policy, US economic performance, Mexican economic performance, US business behavior, and a series of other factors have resulted in an estimated 33,000 undocumented Mexicans living in Utah in the year 2000.

More recent estimates of the total number of undocumented from all countries indicate substantially higher figures, in the neighborhood of 65,000 to 85,000 persons.

They are present, and they both contribute to the wider society and add to its stresses. They affect the state's welfare in a myriad of dimensions.

Regardless of any position on how and

whether to stop the inflow of undocumented, the fundamental question remains whether to encourage the most positive outcomes from the reality of their presence in the state or whether to attempt to drive them out by first driving them underground.

Public policies of the first variety, such as HB 144, have positive impacts on individuals, on the Hispanic community, and on Utah as a whole.

Policies that marginalize or create barriers for immigrants, on the other hand, are likely to have serious short and long term costs for all.

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