

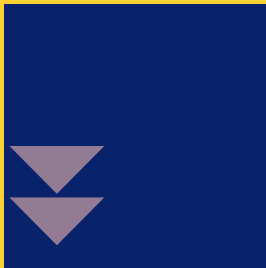
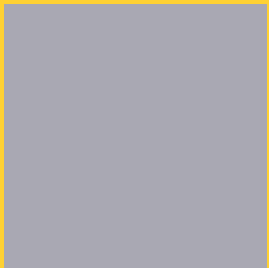
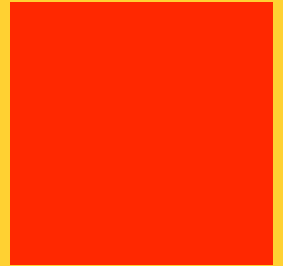
WORKING FOR A BETTER LIFE



New York is home to immigrants from around the world



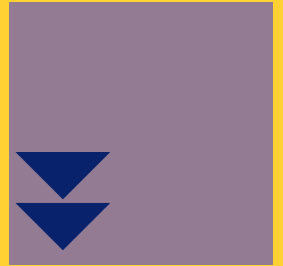
Immigrants contribute to economic growth



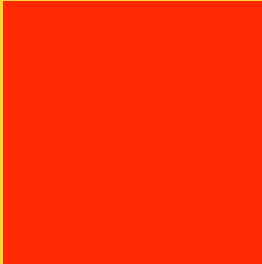
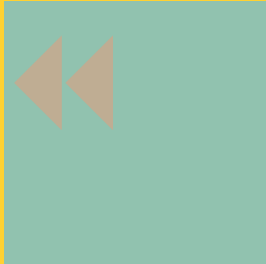
Immigrants support neighborhood revitalization



Immigrants are an integral part of New York State



Immigrants strive to join the middle class



Immigrants work at all kinds of jobs

A Profile of Immigrants in the New York State Economy

Working for a Better Life

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November 2007



The Fiscal Policy Institute prepared this report as part of *The Truth about Immigrants*, a joint project with The New York Immigration Coalition.

The report was made possible by the generous support of Carnegie Corporation of New York, The New York Community Trust, and The Horace Hagedorn Foundation.

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Acknowledgments

Working for a Better Life is the first in a series of reports by the Fiscal Policy Institute on the economics of immigration. *Working for a Better Life* is a profile of the role immigrants play in the New York State economy.

This work was undertaken as part of “The Truth about Immigrants,” a joint project of the Fiscal Policy Institute and The New York Immigration Coalition. The New York Immigration Coalition is an umbrella policy and advocacy organization for more than 200 groups in New York State that work with immigrants and refugees. Funding for this report has been provided by Carnegie Corporation of New York, The New York Community Trust, and The Horace Hagedorn Foundation.

The principal author of *Working for a Better Life* was David Dyssegaard Kallick, senior fellow of the Fiscal Policy Institute. The research was conducted with the constant advice and guidance of James Parrott, FPI’s chief economist and deputy director. The contribution of immigrants to Gross Domestic Product of New York was calculated by Parrott. Trudi Renwick, senior economist at the Fiscal Policy Institute, provided comments throughout and was critical to the section on taxes and services. Frank Mauro, executive director of the Fiscal Policy Institute, provided support and direction to the entire project. Brent Kramer, research associate at the Fiscal Policy Institute, was responsible for the extensive data preparation and tabulation. Jo Brill, FPI’s communications director, was critical in making the charts consistent and accessible, and in reviewing the report. The Applied Research Center generously allowed one of its senior research associates, Josina Morita, to spend part of the summer working with the Fiscal Policy Institute, and this report benefited from her contributions.

The staff of the New York Immigration Coalition pointed the Fiscal Policy Institute toward key issues to address, and added expert advice on services available to immigrants. We would particularly like to acknowledge the input of executive director Chung-Wha Hong, director of development and capacity building Karen Kaminsky, communications and research coordinator Norman Eng, and health advocacy associate Maysoun Freij.

The Fiscal Policy Institute has assembled an advisory panel for this and future reports on immigration, which was extremely helpful in reviewing *Working for a Better Life*. Thanks to John Mollenkopf, distinguished professor of Political Science and Sociology at The Graduate Center of the City University and director of its Center for Urban Research, for bringing to bear decades of experience looking at immigration to New York; Rae Rosen, senior economist and assistant vice president of the Federal Reserve Bank of New York, whose perspective and rigor were a welcome contribution to our efforts; Jared Bernstein, senior economist at the Economic Policy Institute, who informed our review of the literature on economics and immigration and was insightful throughout; Jeffrey S. Passel, senior research associate at the Pew Hispanic Center, whose work for this report allowed us to include estimates of undocumented workers to a far greater extent than otherwise would

have been possible; Peter Kwong, professor of urban affairs at Hunter College, who pushed our thinking about immigration in general and Asian immigrants in particular; Gregory DeFreitas, professor of economics and director of the labor studies program at Hofstra University, who added insight to the issues surrounding immigration and unions; Walter Stafford, professor of urban planning and public policy at New York University's Wagner School, who helped refine our thinking about low-wage workers and immigration; Max Pfeffer, professor of development sociology at Cornell University, who graciously agreed to provide estimates for farm workers in the regions of New York as we defined them, which appear for the first time in this report; Maralyn Edid, senior extension associate of Cornell University, who helped make the report more nuanced about the upstate economy; and Muzaffar Chishti, director of the Migration Policy Institute's office at the New York University School of Law, who has helped inform the Fiscal Policy Institute's perspective on immigration for many years.

In addition to our advisory panel, this report benefited from review and suggestions by many of our colleagues. Thanks to Elisabeth Benjamin, Annette Bernhardt, Jonathan Bowles, Warren Brown, Tara Colton, Deyanira Del Rio, Jeffrey Grabelsky, Saru Jayaraman, Nick Johnson, Rich Jones, Mafruza Khan, Cesar Perales, Catherine Ruckelshaus, Gouri Sadhwani, Robert Scardamalia, Vicky Virgin, Maya Wiley, for their input to this report.

This report was designed by Daria Arao and Darren Ressler. The cover was designed by Debbie Glasserman.

Printing was generously donated by the Civil Service Employees Union.

Executive Summary

In the political frenzy around immigration policy, it is all too easy to lose perspective on the economic role that immigrants play in New York State. Immigrants make up 21 percent of the state population, and contribute to New York's economy in a wide variety of ways.

Working for a Better Life is an overall profile of immigrants in the New York State economy, looking at the entire spectrum of immigration, upstate and downstate, documented and undocumented, black, white, Hispanic and Asian.*

Two major statewide themes emerge from this report.

1. Immigrants contribute broadly to the New York economy.

Immigrants in New York are by no means marginal to the economy. New York's immigrants are responsible for \$229 billion in economic output in New York State. That's 22.4 percent of the total New York State GDP, a share slightly larger than immigrants' share of population, and slightly smaller than their share of the workforce. Despite the common impression that immigrants work primarily in low-wage jobs, immigrants in New York State are entrepreneurs, managers, and workers in jobs at all levels of the economy, from the lowest-paid day laborers to the highest-paid investment bankers.

2. Over time, immigrants become part of our communities.

Immigrants gradually become part of our communities as they learn English, buy homes, start businesses, and raise American kids. At the same time, our communities change, as they become increasingly diverse and globally connected.

- Most immigrants in New York State speak English today, and their English gets significantly better over time.
- Hispanic- and Asian-owned businesses—one indication of immigrant entrepreneurship—have been growing rapidly, sharply increasing the number of employees.
- In upstate and the downstate suburbs, about two thirds of immigrants own their own homes.
- More than one third of children in New York State (34 percent) live in a family with at least one foreign-born adult. In New York City, that figure is 57 percent, in the downstate suburbs 31 percent, and upstate eight percent.

* This report defines "immigrants" as people residing in the United States who were born in another country. People born in Puerto Rico, the Virgin Islands, or other territories of the United States are U.S-born. (See sidebar on page 6.)

Each of the three regions of New York State examined in *Working for a Better Life* has a particular dynamic of immigration.

New York City: Immigration fuels growth and builds the middle class

One of the signs of New York City's celebrated revival over the last 25 years has been its population growth. Yet, without immigrants, population in the city would have declined rather than grown in recent years. Immigrants played a very important role in turning the declining neighborhoods of the 1970s into thriving communities today.

Today, 37 percent of the New York City population is foreign born. In a city where income polarization is one of the key concerns, immigrants are helping to expand the ranks of the middle class, with family income for people in immigrant families more likely to be in the middle ranges than for people in U.S.-born families.

And, New York City immigrants are found in jobs from the top to the bottom of the corporate pyramid in virtually every sector. Immigrants, for instance, make up a quarter of all CEOs, half of accountants, a third of office clerks, a third of receptionists, and half of building cleaners.

Immigrants are well represented among commuters, too. Of the 800,000 people who commute to work in New York City, 31 percent are immigrants. Immigrants make up 40 percent of commuters who work in service jobs, a third of commuters who work in the professional sector, and a quarter of those in management, business, and finance.

Immigrants are changing the face of New York, but less by expanding the ranks of different racial and ethnic groups than by diversifying the mix within each group. Blacks today are not only African American, but also Caribbean and African, adding new layers to what it means to be a black New Yorker. Whites are a quarter of all immigrants, from countries such as Ukraine, Russia, Poland, Greece, Israel, Romania and the former Yugoslavia. Hispanics in New York a generation ago were primarily Puerto Rican, but today they are increasingly Dominican, Mexican, Ecuadorian, Columbian, Peruvian, Salvadoran, and more. And Asians, once primarily Chinese, now also come from Vietnam, Korea, India, Bangladesh, Pakistan, Hong Kong, and Taiwan, as well as from parts of China that did not participate in earlier migrations.

Downstate suburbs: Growing, and growing more diverse

In the downstate suburbs of Nassau, Putnam, Rockland, Suffolk, and Westchester Counties, immigrants are generally doing quite well, though not quite as well as their often affluent neighbors. Overall, 18 percent of residents in the downstate suburbs are foreign-born. Families with at least one immigrant adult have a median income of \$71,000, compared to \$86,000 for families without a foreign-born adult. (By contrast, the median family income in

New York City is less than \$40,000 for both immigrants and native-born residents.)

Day laborers hired through shape-up sites have attracted a great deal of attention in some downstate suburbs, but they make up a tiny fraction of the overall immigrant population (probably less than half of one percent), and are in fact a small part of even the undocumented population. The occupation with the largest number of immigrants in the downstate suburbs is registered nurses. And, 41 percent of all physicians and surgeons in the downstate suburbs are foreign-born, as are 28 percent of college and university professors, 22 percent of accountants and auditors, and 19 percent of financial managers.

As immigrants change to fit into the suburbs, the suburbs are also changing in response to immigration. It is sometimes a bumpy road, but the downstate suburbs are gradually becoming more diverse and global. In 2005 about 30 percent of residents of the downstate suburbs were Hispanic, Asian or black. As recently as 1980, that figure was just 10 percent.

Upstate New York: Immigrants as professionals and service workers

In upstate New York—above Rockland and Putnam counties—immigrants are doing generally just as well as U.S.-born residents. The median family income in upstate New York is virtually the same for immigrants and U.S.-born residents. In fact, the share of people in families in the low-, middle-, and high-income brackets is the same for immigrants and U.S.-born families.

Five percent of the population is foreign-born, well below the average for New York State (21 percent) and for the nation (12 percent). Yet, immigrants play a significant role in the upstate economy, especially in certain areas of particular importance to upstate's future.

In universities, the pride of many upstate regions, 20 percent of professors are immigrants—four times their representation in the overall population. In health care, the fastest-growing sector in the upstate economy, immigrants make up 35 percent of physicians and surgeons. In scientific fields, related to upstate strength in research and development, immigrants make up 20 percent of computer software engineers. And in farming, an important part of upstate's cultural heritage and high quality of life, immigrants—both with visas and undocumented—make up an estimated 80 percent of the seasonal workers who pick the crops and keep the farms going.

Upstate is changing in relation to immigration, but perhaps not in the ways people generally think. Most immigrants upstate are white (52 percent), about a quarter are Asian or Pacific Islanders (23 percent), about one in seven are Hispanic (14 percent), and about one in ten are non-Hispanic blacks (9 percent). The three most common countries of origin for immigrants are Canada, India, and Germany. Mexico, the focus of so much public attention in the immigration debates, comes fourth.

Conclusion

Immigration debates sometimes focus narrowly on one particular part of the immigrant population or another. Some reports look at just undocumented workers, or just recent arrivals, or just Spanish-speaking immigrants. In looking at the whole range of immigrants in New York State, what stands out in one area after another is that immigrants are not dramatically different from other New Yorkers. Throughout the state, there are rich, poor, and middle-class immigrants, subject to the same economic trends as everyone else.

Because immigrants are a very large part of the New York economy, getting the immigration equation right is critical to the state's economic success. Improving conditions for everyone in the low-wage labor market is an important factor—through such measures as strong labor law enforcement, training oriented toward building a career, and economic development strategies that encourage firms to create and maintain good jobs. Particular importance should be paid to U.S.-born workers who are struggling in the low-wage labor market and those who are being squeezed out of the middle class. These U.S.-born workers face very real economic problems. Addressing these issues for U.S.-born workers is part of what it means to create a welcoming climate for immigrants.

By the same token, immigrants are such an important part of the New York economy that “cracking down” on immigrants clearly could have unintended consequences with significant negative impacts. “English only” policies, racial profiling, or a generally anti-immigrant atmosphere negatively affect a large number of people, families, and communities beyond the undocumented workers at whom the measures may purportedly be aimed.

At a time when the immigrant debate is being polarized into “pro” and “anti,” *Working for a Better Life* sets out to portray realistically the overall role of immigrants in the New York economy. At the Fiscal Policy Institute, we hope this report contributes to a richer and better-informed debate.

Chapter 1

New York: Statewide and National Context

Who is an immigrant?

This report, as is the standard for the economics literature, uses the terms “immigrant” and “foreign-born” interchangeably. People residing in the United States who were born in another country are defined as “immigrants,” whether or not they have become U.S. citizens and regardless of their legal status. People born in the United States, including people born in U.S. territories such as Puerto Rico and the Virgin Islands, and children born abroad of U.S. citizen parents, all are defined interchangeably as native-born and U.S.-born.

Students and businesspeople from other countries, including those who may be temporarily studying or working in the United States, are counted as immigrants. Many return home, but it is also the case that many wind up staying in the United States.

Immigrants play an important role in all regions of New York State

New York has long served as a gateway for immigrants moving to the United States. In the late 19th and early 20th centuries, the immigrants flowing through Ellis Island symbolized a period of energy, challenges, and growth for New York.

By the end of the 1920s, restrictive immigration quotas had drastically reduced the number of new immigrants. During much of this time, however, newcomers continued to help New York State’s economy grow, as African Americans moved from the south to northern cities, and Puerto Ricans came to the mainland United States.¹

Today, immigrants are again expanding New York State’s population and economy and posing new challenges.

In all, there are four million immigrants—people born in foreign countries—living in New York State, according to the 2005 American Community Survey, out of a total of 18.7 million. That means on average one in five residents of New York State were born in another country. *[Figures 1 & 2.]*

Since New York is a large and varied state, this report goes beyond the statewide averages, with full chapters on each of three regions of the state.

Nearly three quarters of the immigrants in New York State live in New York City. The five boroughs are home to 3.0 million immigrants; 37 percent of all New York City residents are foreign-born, out of a total population of 8.2 million.²

Where do immigrants in New York live?

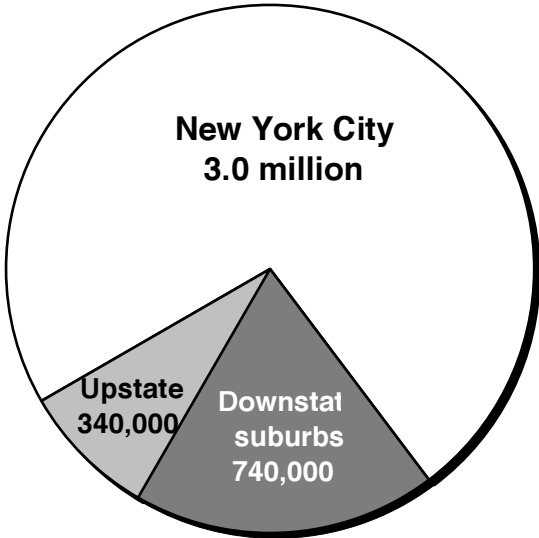


Figure 1.
Sources: American Community Survey 2005 (American Factfinder), and New York City Department of City Planning corrected figures for New York City (as accepted by the Census Bureau).

How many New Yorkers are immigrants?	
New York City	37%
Downstate suburbs (Nassau, Putnam, Rockland, Suffolk, and Westchester counties)	18%
Upstate (All other New York counties)	5%
New York State	21%

Figure 2.
Sources: FPI analysis of 2005 ACS and New York City Department of City Planning.

About 20 percent of immigrants in the state live in the downstate suburbs—Nassau, Suffolk, Westchester, Rockland, and Putnam counties. That makes for 740,000 immigrants out of a population of four million. Overall, about one in five residents of the downstate suburbs were born in another country.

Upstate New York is home to fewer than ten percent of the immigrants in the state. About 340,000 foreign-born residents live in the 52 counties north of Rockland and Putnam, where the total population is 6.7 million. Overall, about one in twenty upstate residents were born in another country.

Immigrants contribute strongly to economic growth

Much of the economics literature on immigration focuses on low-wage immigrants.³ This report uses a wider lens, to look at the overall role played by immigrants at all wage and education levels in the New York economy. The report covers low-income immigrants, and

Immigrant economic contribution represents nearly a quarter of the New York State economy

Immigrant Contribution to GDP by State, New York State, 2006

Total New York State economic output:
\$1.02 trillion

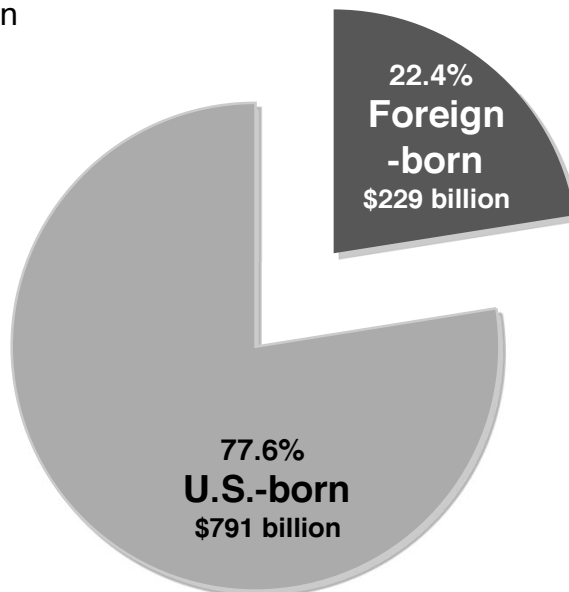


Figure 3.

Source: FPI calculation based on Bureau of Economic Analysis estimate of Gross Domestic Product by State and ACS PUMS. See Appendix B for details.

it covers undocumented immigrants as much as the data and research allow. But it goes beyond the frequent focus on low-wage and undocumented workers to look at the full range of immigration—new and old; high-skill and low-skill; English-speaking and non-English speaking; black, white, Hispanic and Asian. This report looks at immigration as a continuum, considering immigrants not just as they first arrive in the United States, but also as they become increasingly integrated into the economy and society.

What the report finds is that immigrants make a powerful contribution to the New York State economy. In 2006, immigrants were responsible for nearly a quarter of the state's \$1 trillion in economic output. *[Figure 3.]*

More exactly, 22.4 percent of New York's Gross Domestic Product (GDP) was attributable to immigrants working in New York. That is slightly higher than the immigrant share of the state population and slightly lower than the immigrant share of the workforce.

Gross Domestic Product represents the total value added in the production of goods and services. It is important to note that individual groups' contribution to GDP cannot be measured directly, so estimating immigrant share of GDP is based on several assumptions. See Appendix B for a full description of the methodology used to estimate the immigrant share of GDP and the tests used to check on the required assumptions.

The economic output of immigrants living in New York, according to this calculation, was a powerful \$229 billion. By way of comparison, that is higher than the total GDP of 30 states, including Wisconsin, Missouri, and Connecticut.

The immigrant contribution to the economy is robust for two primary reasons.

First, immigrants make up a very significant part of the population—21 percent of the state as a whole. And immigrants make up an even greater portion of the number of workers in the state—they are 26 percent of the working-age population, and 26 percent of the people in the workforce. This calculation of immigrant share of GDP by state takes into account commuters, both immigrant and native-born. Yet, it is interesting to note that since many commuters are also immigrants, the immigrant share of all people who work in New York (including commuters in both directions), is not significantly different than the immigrant share of the resident workforce.⁴ *[Figure 4.]*

Second, although it is sometimes assumed that virtually all immigrants work in low-wage positions, this is far from the case. Immigrants work in all parts of the New York economy from top to bottom, adding substantially to sector after sector of the economy's growth.

That's not to say immigrants are doing just fine. In recent decades, the New York State economy has changed in ways that make getting ahead harder for most New Yorkers, immigrants and native-born. New York's middle class is being pressed hard. Productivity gains have not resulted in commensurate wage gains. And New York has the biggest gap between

Immigrants play an important role in the New York State economy

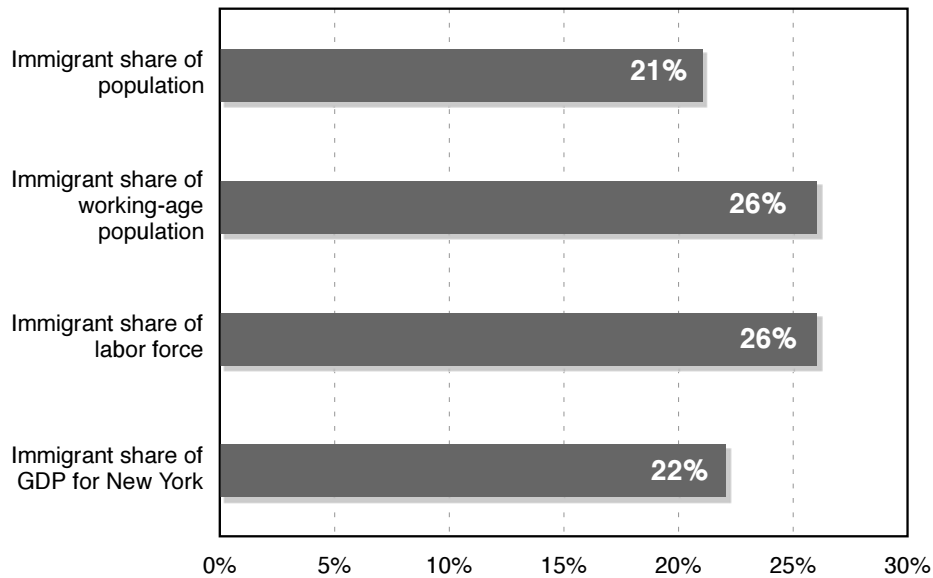


Figure 4.

Source: FPI analysis of 2005 ACS PUMS. Working age is 16-64 years old.

rich and poor of all 50 states, as well as the biggest gap between the top- and middle-income families. Immigrants did not cause these broad economic trends, but they are hardly immune to them. When immigrants come to New York, they are integrated into a context that is already highly polarized.⁵

The major problem at the low end of the labor market is that many employers are breaking important worker protection laws. Employers increasingly are paying workers—both immigrant and U.S.-born—below the minimum wage and off the books; without remitting the required payroll taxes to the federal and state governments; and without providing for the minimally required workers' compensation insurance coverage. This trend is a serious problem for law-abiding employers, and for both immigrants and U.S.-born workers.⁶

The federal government's failure to establish a path to citizenship for undocumented workers and to establish a viable system to regulate the migration of future immigrants places additional burdens on the states.

In New York, however, the economic and political context for improving the standard of living of low-wage workers is generally very positive. Though polarizing and volatile, the New York economy is highly productive. Economically, there is a rising tide; the trick is to get it to lift all boats. Politically, the Spitzer administration seems committed to improving enforcement of labor standards, one of the best ways to improve working conditions for immigrant and U.S.-born low-wage workers alike.⁷

All in all, the state economy is growing, and immigrants are an important part of that growth.

New York in a national context

On average, immigrants to New York State make up 21 percent of the total population, compared to 12 percent for the United States as a whole. Although New York has a higher percentage of immigrants than the country as a whole, the dynamic of immigration in New York's three regions mirrors, in many ways, the dynamic in different parts of the United States.

New York City is a big city with a high concentration of immigrants—like other American cities such as Los Angeles, Chicago, and Houston.

The downstate New York suburbs include affluent communities that were for decades predominantly white. Other areas, mostly geographically isolated from the affluent communities, have been home to lower-income people, many of them blacks and Hispanics. Today, the downstate suburbs gradually are becoming more racially and ethnically diverse—like many suburban areas around the country.

Upstate cities are similar to many older industrial cities in the Northeast and Midwest. In the past, upstate urban areas experienced robust industrial growth that attracted immigrants in large numbers. Today, slow growth has been accompanied by relatively modest levels of immigration. In upstate rural areas, immigration plays an important role in the farm economy, which relies on a workforce that is mostly made up of immigrants and largely undocumented, similar to the farm economy in many other vegetable- and fruit-growing regions in the United States.

One important respect in which New York differs from many other parts of the United States is the extraordinary diversity of immigrants to New York. In Texas, immigration is primarily from Mexico, Central America and South America (72 percent). In California, 54 percent come from Mexico, Central, and South America, and another 33 percent come from Asia. New York has the most diversified mix of immigrants, coming from all around the world. Only New Jersey, among the six states with the highest numbers of immigrants, comes close to matching the diversity of immigration to New York. *[Figure 5.]*

Immigrants today are moving to more and more areas in the United States, but the traditional gateways of immigration—New York and California—continue to be the destination of choice for the largest number of immigrants. New York is home to 11 percent of all the immigrants in the United States. Only California has a larger number or a higher percent of immigrants, with 9.6 million foreign-born residents in 2005, making immigrants 27 percent of the overall California population. *[Figure 6.]*

Immigration to New York is unusually diverse

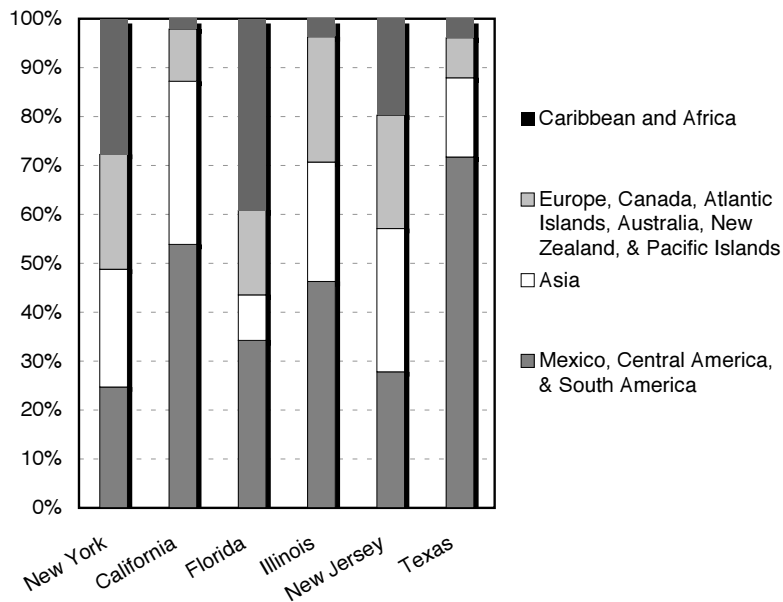


Figure 5.
Source: FPI analysis of 2005 ACS PUMS.

New York is a Gateway State for Immigrants United States, 2005

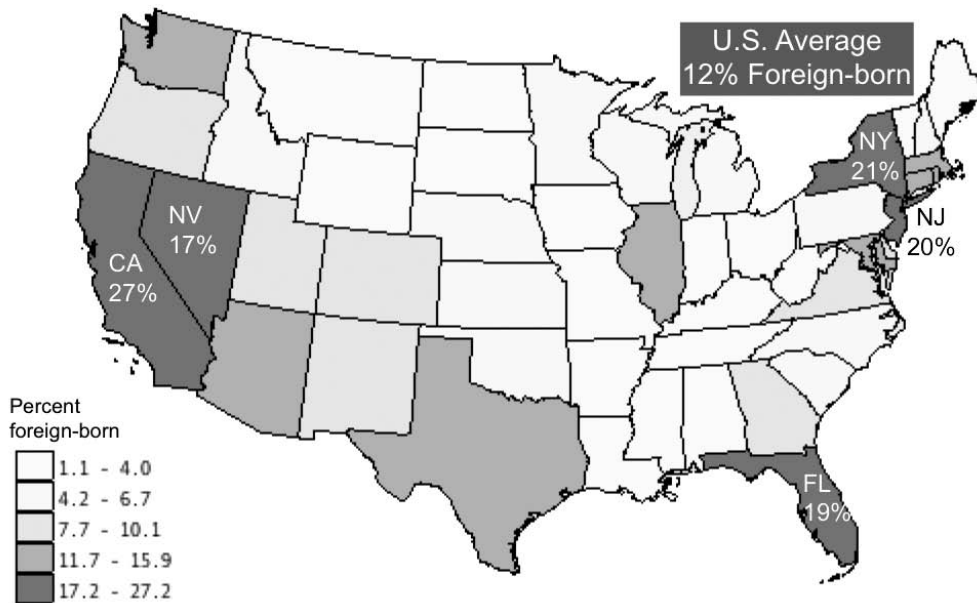


Figure 6.
Source: 2005 ACS. Immigrants are moving to more and more areas throughout the U.S., but the traditional gateways for immigration are still where most immigrants live today. Map shows percent that are foreign-born, by state.

While there is no direct count of undocumented immigrants in the United States, Jeffrey S. Passel, working with colleagues at the Pew Hispanic Center and the Urban Institute, has developed what is widely considered the most credible system for estimating the number of undocumented immigrants. According to their analysis of 2003-2004 data, 10 million undocumented immigrants in the United States as a whole are estimated to comprise 29 percent of all immigrants in the United States (four percent of the total population). By contrast, 635,000 undocumented immigrants were 16 percent of immigrants in New York State (three percent of the total population). States with a larger estimated number of undocumented immigrants include California (2.5 million), Texas (1.4 million) and Florida (885,000).⁸

As important as it is to address undocumented immigration, undocumented immigrants are only a part of today's immigration story. As Doris Meissner, former commissioner of the Immigration and Naturalization Service, has stressed: "The debate going on in our country is focused almost entirely on illegal immigration, but we overlook the fact that there's a very large legal immigration taking place. It's in our interest as a nation to make sure that process is working well."⁹

Immigrants and the jobs and wages of U.S.-born workers

Immigrants make a substantial contribution to the New York State economy as a whole. But can immigrants and native-born workers both do well in a competitive economy?

A few general points can be drawn from the existing economics literature. Economists generally agree that wages for the great majority of workers are not affected, or are positively affected, by immigration. Having more immigrant computer scientists, doctors, and store owners does not seem to hurt the wages of the U.S.-born programmers, physicians or merchants. There can be benefits to the concentration of talent—as, for instance, in a research center. And it is possible that some work that might otherwise go overseas in search of a well-trained workforce could stay in the United States if there were an ample supply of talented and trained workers. Overall, the economy grows, and average wages rise, so that immigration is good for most (though not necessarily all) workers. Prices, it is also generally agreed, are reduced by immigration—in part because immigrant workers command lower wages, but also because they fill in gaps in a highly complex economy.¹⁰

The biggest controversy among economists relates to low-wage workers. There, the research is inconclusive. David Card has argued that immigrants have very little effect on wages. Expanding the number of workers, he argues, also expands the number of consumers, entrepreneurs and investors, thereby expanding the overall economy. Giovanni Peri generally agrees, though he finds some negative impact on U.S.-born workers with less than a high school education, and the biggest impact not on native-born workers, but on other immigrants. All in all, "roughly nine in ten working Americans gain from immigration," Peri suggests.¹¹

George Borjas is the economist most frequently cited on the other side of this debate. Borjas agrees that the overall impact of immigration is positive for the economy, and for most workers. But he finds the negative effects on U.S.-born workers with less than a high school education to be larger than other researchers generally conclude. For U.S.-born workers without a high school degree, Borjas calculates a relative decline in wages due to immigration of nine percent over ten years.¹²

New York City's experience might provide a useful contribution to this ongoing debate. In general, studies have found that cities with higher levels of immigration do not experience a negative impact on wage growth. A variety of reasons have been cited: immigrants are drawn to cities where there is economic growth, they complement rather than compete with most workers; they draw new investment to take advantage of the expanded labor pool, and they add entrepreneurial energy and ideas. Borjas, however, argues that city-to-city comparisons are not appropriate. Native-born workers, he argues, might leave the city as immigrants enter. This would be a worthwhile topic for future study. Certainly at first glance it seems very unlikely that out-migration from urban areas can be explained as a reaction to immigrants; it is most often seen as a reaction to the white/black racial tensions of the 1960s and '70s. Indeed, in New York City, immigrants are widely seen as fueling the revival of city neighborhoods. Since urban revival, aided in part by immigrants, drew U.S.-born families back into the city, immigrants may contribute to bringing U.S.-born residents into the city rather than effectively pushing them out. While not conclusive, it is interesting to note that the experience of upstate cities is quite the converse. Buffalo, Rochester, and Syracuse still suffer from underpopulation, and each has comparatively low rates of immigration. A recent study by the Federal Reserve Bank of Buffalo, pointed out that, although it is commonly believed that the problem in upstate is a "brain drain," in fact what stands out upstate is not a higher-than-average rate of out-migration, but rather a lower-than-average rate of immigration.¹³

One final twist. Even if the overall effect of immigrants on workers with less than a high school education may be relatively small, particular concern has been raised about whether immigrants may be displacing or reducing wages for African Americans in particular. Many other factors seem likely to play a much bigger role than immigration in shaping the labor-market options of African Americans with less than a high school education. These factors include the loss of government social service jobs in New York City, the effects of a "work first" approach to welfare reform, the grossly disproportionate incarceration rates faced by African American men, the inadequate school funding in predominately African American neighborhoods, and persistent racial discrimination. Still, research by Borjas, Roger Waldinger, and in New York Mark Levitan has concluded that there does seem to be wage and job competition between immigrants and African Americans. It is interesting to note that according to recent polls, while African Americans are more likely than native-born whites to believe that they are losing jobs to immigrants, they are also more likely than whites to support expanding services for immigrants. These are topics that deserve further research, and in future reports the Fiscal Policy Institute plans to undertake studies of the questions as they relate to the New York economy.¹⁴

One thing is clear: immigrants in New York—as elsewhere in the country—come into a labor market in which low-wage workers are not doing as well as they should be.

The problems in the low-wage labor market are well known. Unscrupulous employers take advantage of undocumented immigrants, sometimes threatening conditions for all workers. Weak labor standards and lax enforcement have been the primary culprits in allowing companies in some industries to pay workers off the books or to misclassify them as “independent contractors.” A climate in which immigrants are afraid to report workplace violations can feed into the problems of lax enforcement. And race plays a role as well. African Americans—some of whom face multiple barriers in the labor market—have perhaps the most to gain by policies that would help ensure the rights of all workers, and the most to be concerned about in policies that do not adequately address abuses. “Getting it right” on immigration will mean addressing these issues through comprehensive immigration reform at the federal level; strong enforcement of labor laws at the federal, state, and local levels; a solid wage floor so that no workers are paid poverty wages; particular attention to issues faced by African Americans; and career ladders that help all workers advance.

It is important to bear in mind, too, that while some aspects of immigration’s economic impact are contested, economists are nearly unanimous in acknowledging the overall benefit of immigrants to economic growth.

Although immigration is highly controversial in the political arena, it is hardly a simple partisan debate. Leaders from both sides of the political aisle recognize the overall importance of immigration to economic growth. President Bush’s Council of Economic Advisors recently issued a report saying, “Our review of economic research finds immigrants not only help fuel the nation’s economic growth, but also have an overall positive effect on the income of native-born workers.” The 2007 State New Economy Index, published by the bipartisan National Governors Association, commented specifically on the role of immigrants in state economies, saying, “In many cases, these workers from abroad do more than merely fill occupational gaps: by contributing new perspectives and knowledge drawn from other places, they enhance a state’s innovation. Foreign-born and foreign-educated scientists and engineers in the United States, for example, are overrepresented among authors of the most cited scientific papers and inventors holding highly cited patents. Likewise, foreign-born entrepreneurs are involved in over 25 percent of high-tech start-up companies.”¹⁵

With economists in widespread agreement that immigration is a net plus for the economy and good for the majority of workers, policymakers would do well to focus on ensuring that the benefits of immigration are broadly shared. Moving toward better labor standards, more middle-class jobs, and targeted assistance to those who face potential loss of jobs or wages would require a political context that draws working families together based on their shared interests, rather than pitting them against each other based on race, ethnicity or immigration status. Getting the immigration equation right is crucial to ensuring a growing economy that benefits both immigrant and U.S.-born New Yorkers.

Chapter 2

New York City: Immigration Fuels Growth and Builds the Middle Class

Immigrants make a strong contribution to the New York City economy

New York City is a vibrant global metropolis, where immigrants contribute strongly to the overall economy. The city's neighborhoods are bustling, and international tourism is at an all-time high. In New York City, 37 percent of the population was born in a foreign country.

Mayor Bloomberg has been enthusiastic and outspoken about the role of immigrants in the economy and, under the banner “Big Towns, Big Dreams,” the New York *Daily News* is running a series of “stories about immigrant New Yorkers who make this town the great place it is.” On the whole, New York City residents seem to share a positive view of how immigration is changing the face of the city, although there also are concerns about such issues as the labor conditions of immigrant workers in low-wage restaurant work, off-the-books construction work, or sweatshops in Chinatown.

Immigrants play a role in virtually every part of the New York City economy. Well over one of every three New York City residents was born in another country, and close to half of the city's resident workforce is foreign-born.

One broad indicator of the extent of the immigrant contribution to economic growth is the immigrant share of wage and salary earnings. This earned income represents purchasing power, but it is also a broad indication of the immigrant contribution to Gross Domestic Product, since wages track economic output, and wage and salary income represents about half of GDP.

By this measure, immigrants are adding enormously to the New York City economy. The immigrant share of wage and salary earnings is 37 percent of total resident wages. *[Figure 7]*

Immigrants, in other words, are by no means just low-wage workers on the margins of the New York City economy. Their share of wage and salary income is equivalent to their share of the population, though still slightly less than their share of the workforce.

This overall finding is borne out by an examination of the jobs immigrants in the city do. Immigrants make up between 25 and 80 percent of virtually all occupations in New York City. Immigrants are found in jobs from the top to the bottom of the corporate pyramid in virtually every sector. New York has over 8,000 chief executive officers who are immigrants—a quarter of all the CEOs who live in the city. Immigrants are also half of all accountants, a third of office clerks, a third of receptionists, and half of building cleaners. *[Figures 8 and 9]*

In finance, immigrants make up a quarter of securities, commodities and financial services sales agents living in the city, and a third of financial managers. In real estate, they are a third of all brokers, four out of ten property managers, four out of ten architects, and seven

Immigrants are central to the New York City economy

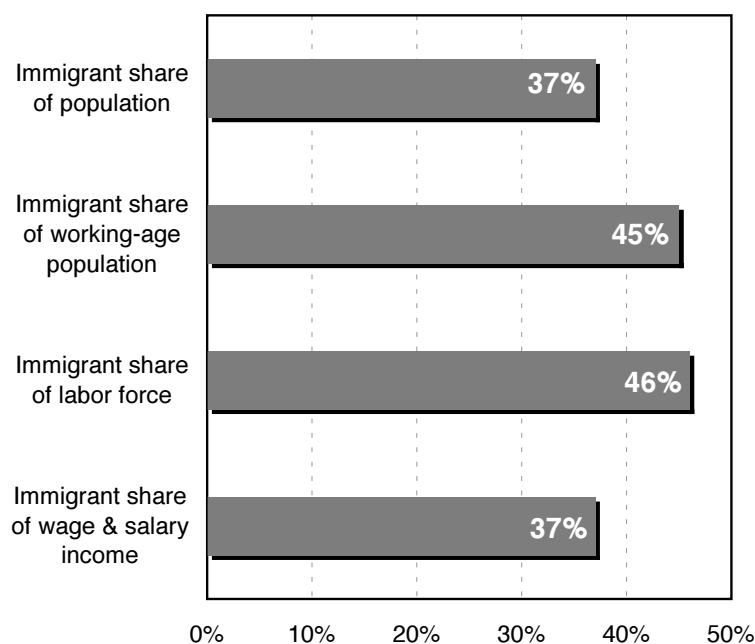


Figure 7.

Sources: FPI analysis of 2005 ACS PUMS, and New York City Department of City Planning adjustment of 2005 population estimates. Working age is 16-64 years old.

out of ten construction laborers. Immigrants are half of all doctors, six out of ten registered nurses, and seven out of ten nursing aides.

The New York offices of the United Nations bring immigrants and employment to New York City, and expand the global connectedness of the city economy. The 8,000 employees of the United Nations Secretariat and agencies—and hundreds more in the missions to the U.N.—build on the reputation New York has of being a hub for international activity of all kinds.¹⁶

What about commuters? In addition to the resident workforce, nearly a third of the 800,000 people who commute to work in New York City are immigrants. According to an FPI analysis of the 2005 ACS microdata, of commuters from New Jersey, Connecticut, and other parts of New York State, 31 percent are immigrants, making up an important part of all broad occupational categories. Some 125,000 immigrant commuters work in management, business, finance, or professional occupations. That means immigrants make up a third of all commuters who work in the professional sector, and quarter of commuters in management, business, and finance. [Figure 10]

Where do undocumented immigrants work? Using the methodology he developed with his colleagues at the Pew Hispanic Center and Urban Institute, Jeffrey S. Passel developed as a

Top occupations of immigrants in New York City

	Number of immigrants	Share of occupation
Nursing, psychiatric, & home health aides	108,600	71%
Cashiers	61,300	54%
Janitors & building cleaners	60,700	58%
Maids & housekeeping cleaners	56,200	82%
Retail salespersons	51,300	43%
Child care workers	48,200	62%
Taxi drivers & chauffeurs	46,900	87%
Construction laborers	43,600	70%
First-line supervisors/managers of retail sales workers	39,700	54%
Secretaries & administrative assistants	37,500	28%
Registered nurses	37,300	59%
Driver/sales workers & truck drivers	36,800	61%
Accountants & auditors	34,800	49%
Cooks	34,600	72%
Managers, all other	31,000	35%
Waiters & waitresses	28,900	55%
Security guards & gaming surveillance officers	27,800	39%
Carpenters	27,800	75%
Sewing machine operators	24,400	94%
Elementary & middle school teachers	23,900	28%
Bookkeeping, accounting, & auditing clerks	22,200	47%
Personal & home care aides	22,000	67%
Office clerks, general	21,600	36%
Designers	20,000	36%
Stock clerks & order fillers	19,200	47%
Customer service representatives	19,200	39%
Chefs & head cooks	18,600	79%
Physicians & surgeons	16,900	48%
Production workers, all other	16,100	70%
College and university professors	15,700	36%
Painters, construction & maintenance	15,700	70%
Laborers & freight, stock, & material movers, hand	15,500	43%
Receptionists & information clerks	15,100	33%
Teacher assistants	14,900	34%
Food service managers	14,500	63%
Financial managers	13,800	35%
Supervisors/managers of office/admin. support workers	13,800	31%
Hairdressers, hairstylists, & cosmetologists	13,600	69%
Supervisors/managers of non-retail sales workers	13,200	39%
Food preparation workers	12,900	63%
Sales representatives, wholesale & manufacturing	12,000	38%
Automotive service technicians & mechanics	12,000	63%
Bus drivers	11,800	40%
Computer scientists & systems analysts	11,600	47%
Lawyers, Judges, magistrates, & other judicial workers	11,200	17%
Licensed practical & licensed vocational nurses	11,100	57%
Social workers	11,000	32%
Securities, commodities, & financial services sales agents	10,900	27%
Computer programmers	10,600	59%
Pipelayers, plumbers, pipefitters, & steamfitters	10,400	60%
Packers & packagers, hand	10,300	66%
Property, real estate, & community association managers	10,300	42%
Total in occupations with fewer than 10,000 foreign-born	229,600	
Total reporting an occupation	2,028,500	

Figure 8.

Source: FPI analysis of 2005 ACS PUMS.

Plus a few categories of interest with fewer than 10,000 immigrants

Chief executives	8,500	24%
Real estate brokers & sales agents	7,700	32%
Police & sheriff's patrol officers	6,200	23%
Computer software engineers	5,500	42%
Architects	4,500	40%

Figure 9.

Source: FPI analysis of 2005 ACS PUMS.

Nearly a third of all commuters to New York City are immigrants

Commuters to New York City	Foreign-born commuters	Native-born commuters	Percent of commuters who are foreign-born
Management, business, and financial	52,100	160,800	24%
Professional and related	72,600	142,800	34%
Service	30,900	47,500	39%
Sales and related	25,500	70,400	27%
Office and administrative support	24,300	62,400	28%
Construction and extraction	12,400	25,100	33%
Installation, maintenance and repair	6,100	15,200	29%
Production	10,500	10,900	49%
Transportation and material moving	12,100	17,800	40%
All	246,500	552,900	31%
Median wage & salary income	\$52,000	\$70,000	

Figure 10.

Chart shows inbound commuters to New York City from New Jersey, Connecticut, and other parts of New York State. Source: FPI analysis of 2005 ACS PUMS.

Universe: those 16 and over who live in NY, NJ, or CT, and who report New York City as place of work. Income is based on those who report wage and salary income.

contribution to *Working for a Better Life* a previously unpublished estimate of undocumented workers in New York City. According to Passel's analysis of 2000 to 2006 data, there are 374,000 undocumented workers in New York City, making up 10 percent of the resident workforce. More than half of all dishwashers in the city are undocumented, as are a third of all sewing machine operators, painters, cooks, construction laborers, and food preparation workers. Overall, Passel estimates that there are 535,000 undocumented immigrants in New York City, a figure that is broadly consistent with the New York City Department of City Planning estimate of about half a million. With 374,000 out of 535,000 undocumented

immigrants working, that gives undocumented immigrants a labor force participation rate of roughly 70 percent, higher than either native-born or overall foreign-born residents. [Figure 11; see also figure 22.]

Occupations of undocumented immigrant workers in New York City

Occupation	Estimated number of undocumented workers	Undocumented workers as a portion of all workers
Dishwashers	11,000	54%
Sewing machine operators	12,000	35%
Painters, construction & maintenance	7,000	33%
Cooks	21,000	33%
Construction laborers	17,000	32%
Food preparation workers	6,000	32%
Waiters & waitresses	15,000	28%
Maids & housekeeping cleaners	16,000	28%
Automotive service technicians & mechanics	5,000	26%
Carpenters	9,000	26%
Taxi drivers & chauffeurs	11,000	20%
Stock clerks & order fillers	7,000	19%
Janitors & building cleaners	19,000	19%
Laborers & freight, stock & material movers	6,000	16%
Driver/sales workers & truck drivers	9,000	15%
Cashiers	10,000	12%
Retail salespersons	10,000	12%
Child care workers	7,000	12%
Office clerks, general	5,000	12%
First-line supervisors of retail sales workers	8,000	10%
Other occupations	163,000	6%
Total undocumented labor force	374,000	10%

Figure 11.

Source: Prepared for Working for a Better Life by Jeffrey S. Passel, Pew Hispanic Center, 2007. Based on Pew Hispanic Center data from March 2000-2006 CPS with legal status assigned. The CPS does not include direct information on undocumented status or any legal status, other than naturalization. Data have been adjusted to account for omissions from the CPS. Occupations included in this table have an average of at least 5,000 workers and the share undocumented exceeds the New York City share of undocumented workers. For more information on how these estimates are derived, see Appendix A.

One important consideration regarding Passel's estimates is that they include a number of people who are waiting for a ruling on their status. Nationally, this may be on the order of 10 percent of Passel's estimate of undocumented immigrants. Among these are people in the final stages of receiving legal permanent residency, such as immediate relatives of U.S. citizens. The estimate also includes as undocumented people who have been granted temporary protected status. And, it includes people who have applied for asylum but have not had their cases adjudicated, where typically a smaller percentage ultimately are granted legal status.

Estimating the number of undocumented immigrants is an inexact science. But some confirmation of Passel's estimates comes from *Behind the Kitchen*, a report by the Restaurant Opportunities Center of New York and the New York City Restaurant Industry Coalition. That report concluded that 36 percent of restaurant workers overall are undocumented, a figure broadly consistent with the numbers for specific restaurant occupations in Passel's estimate. The restaurant estimate is based on a survey over 500 workers, supplemented by in-depth interviews with dozens of employers and employees.¹⁷

Another sidelight on the question of undocumented immigrants comes from a 2003 study of day laborers by Abel Valenzuela, Jr., professor at UCLA, and Edwin Meléndez, professor at Milano The New School for Management and Urban Policy. Their analysis concluded that there are roughly 6,000 to 8,000 day laborers being hired at "shape-up" sites in the New York City metropolitan region (including Bergen County, NJ, and several New York suburbs), about two-thirds of whom the authors estimate are undocumented. Shape-up sites are street-side locations where laborers congregate to be hired for the day. The study did not include laborers who are hired through telephone networks or people who are hired for more than just a single day at a time.¹⁸

While immigrants make a substantial addition to the New York City economy, there are clearly some sticking points that need to be addressed as well. In some industries it has become common for unscrupulous employers to restructure work in ways that require workers to accept less pay, greater degrees of risk, and fewer government protections. In fields such as construction, restaurants, apparel manufacturing, or livery services the combination of employer evasion of labor laws and lax enforcement on the part of local, state or federal government causes problems for legal immigrants, undocumented workers, and native-born workers alike.¹⁹

There are ways in which the immigrant contribution to the economy could be boosted with better public policy. Immigrants trained as doctors may wind up drawing blood samples or accountants working as taxi drivers because of issues with certification that could be streamlined. More readily available English language programs would be a huge help for immigrants who want to learn English but frequently can't find a program with space. And, while entrepreneurship is traditionally strong among immigrants, access to credit can be difficult, with immigrants facing hurdles of credit history, confusion about applying, and outright discrimination.

Also, immigrants in the low-end labor market can improve their work condition through organizing. Unions are sometimes out front in addressing these issues—for instance, SEIU 32BJ with its Civic Participation Project; UNITE, which has tackled immigrants’ rights issues for decades; and the New York City Central Labor Council’s immigrant committee and work with the Taxi Workers Alliance.

Immigrants, particularly undocumented immigrants, are often thought to have less bargaining power or ability to organize than native-born workers. Yet, substantial research by Immanuel Ness suggests that this may not be the case. Ness studied three recent organizing drives in New York, among (mostly Mexican) green grocery employees, (mostly West African) supermarket delivery workers, and black-car drivers (mostly from majority-Muslim countries). Ness recalls that a century ago, New York’s labor unions were founded largely by immigrants. He finds immigrants today to be similarly able and willing to organize collectively and stand up to unfair employers despite the risk of deportation. Established labor unions, Ness concludes, should not underestimate immigrants, and frequently could do a better job with respect to immigrant-led organizing.²⁰

Conditions in low-wage jobs should be better for immigrant workers, and for native-born workers. In this country, and perhaps especially in prosperous state like New York, there is no reason any worker should be paid substandard wages.

Immigrants reflect the diversity of New York City

Few cities in history have been as diverse as New York City today. Over the past few decades, immigration from all regions of the world has combined with the continuing “churning” of the city population to create richly diverse communities.

Political analysts looking at the 1970s generally saw the major identity groups as white, black, and Puerto Rican, with whites being primarily Jewish and Catholic, with a small but powerful number of Protestants. Today, any analysis of the city population has to include both different political axes, and many more layers of complexity.²¹

The New York City population today is about one-third white, about a quarter each black and Hispanic, and a little over a tenth Asian. *[Figure 12]*

Contemporary immigration is not shifting the balance of those racial categories as much as it is diversifying the mix within each category. Blacks make up about the same portion of immigrants (21 percent) as of the overall population (24 percent), but as blacks from the Caribbean and Africa come to New York, they add new layers to what it means to be a black New Yorker. Whites make up almost a quarter of immigrants, while they make up one third of the overall population. But white immigrants come from Ukraine, Russia, Poland, Greece, Israel, Romania and the former Yugoslavia. Hispanics in New York were primarily Puerto Ricans a generation ago; today they are increasingly Dominican, Mexican, Ecuadorian,

Immigrants fit into the racial and ethnic mix of New York City

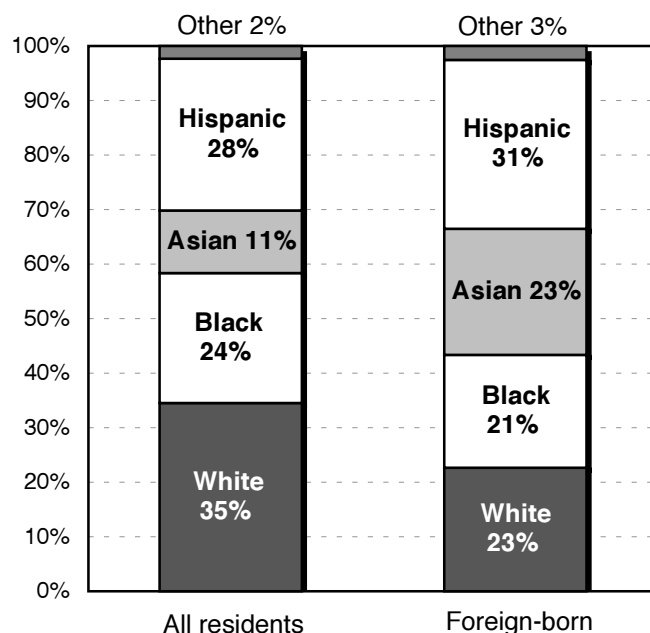


Figure 12.

Source: FPI analysis of 2005 ACS PUMS.

Colombian, Peruvian, Salvadoran, and more. Asians today make up 23 percent of immigrants, with people today coming from a wider range of countries than Asians already living in the city. In the 1970s there were few Vietnamese, Koreans, or South Asians immigrants, and Chinese immigrants came from only a few of China's provinces. Today, in addition to China, Vietnam, and Korea, significant numbers of immigrants come to New York from India, Bangladesh, Pakistan, Hong Kong and Taiwan, as well as from parts of China excluded from earlier immigration, such as the Fujian province.²² [Figure 13]

Undocumented immigrants, according to an estimate by Jeffrey S. Passel of the Pew Hispanic Center, come to New York City in roughly equal measure from Mexico and Central America (27 percent), South and East Asia (23 percent), and the Caribbean (22 percent), with 13 percent from South America, eight percent from Europe, five percent from Africa, and two percent from the Middle East. In all, Passel estimates undocumented immigrants to be 18 percent of all immigrants in New York City.²³ [Figure 14]

Immigrants vary, too, in how long they have been in the United States. In New York City, over half of foreign-born residents have been in this country for more than 15 years. Thirteen percent came in the last five years, and a quarter have been here for more than 25 years. [Figure 15]

New York City today has an extraordinarily multifaceted mixture of immigrants from every part of the world, every racial group, and every period of immigration.

Top countries of birth for immigrants

Country of birth	Number of immigrants in NYC	Share of all immigrants in NYC
Dominican Republic	336,300	11.6%
China	217,800	7.5%
Jamaica	160,100	5.5%
Mexico	143,200	4.9%
Guyana	141,700	4.9%
Ecuador	125,900	4.3%
Haiti	90,000	3.1%
India	86,600	3.0%
Trinidad & Tobago	86,300	3.0%
Colombia	81,900	2.8%
Ukraine	77,300	2.7%
Russia	74,100	2.6%
Korea	71,000	2.4%
Philippines	54,000	1.9%
Poland	52,400	1.8%
Italy	52,100	1.8%
Bangladesh	46,300	1.6%
Pakistan	38,000	1.3%
Peru	34,200	1.2%
Hong Kong	32,500	1.1%
Honduras	29,400	1.0%
El Salvador	26,700	0.9%
Cuba	25,200	0.9%
Barbados	24,700	0.9%
Greece	23,400	0.8%
Israel	23,100	0.8%
Romania	22,900	0.8%
Yugoslavia	22,200	0.8%
Panama	20,900	0.7%
Taiwan	20,700	0.7%
Germany	19,058	0.7%
Canada	18,801	0.6%
Grenada	18,530	0.6%
Vietnam	18,099	0.6%
Guatemala	17,608	0.6%
Ireland	17,289	0.6%
Egypt	17,182	0.6%
West Indies	16,967	0.6%
Japan	16,342	0.6%
Uzbekistan	16,222	0.6%
Nigeria	15,997	0.6%
Argentina	15,333	0.5%
Other	452,102	15.6%
Total	2,900,430	100.0%

Figure 13.

Source: FPI analysis of 2005 ACS PUMS. Total differs slightly from the 3.0 million immigrants in New York City as adjusted by New York City Department of City Planning and accepted by the Census Bureau.

Country of birth for undocumented immigrants in New York City

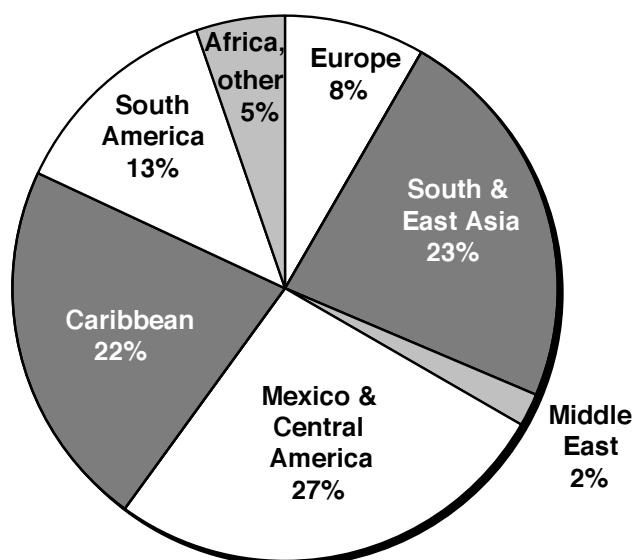


Figure 14.

Source: Prepared for Working for a Better Life by Jeffrey S. Passel, Pew Hispanic Center, 2007. Average of estimates from March Supplements to the Current Population Survey for 2000-2006. Augmented with legal status assignments and adjusted for omissions. See Appendix A for details. Middle East includes Asian countries west of and including Iran, south of and including Turkey plus Cyprus and North Africa.

Immigrants are a major factor in New York City's urban revival

New York City today is an exciting, vibrant place, as evidenced by its growing population, popularity with visitors, and soaring real estate prices. Compared to the decline of the 1970s, the change is quite extraordinary—and a significant part of the city's turnaround is due to immigration. Not since the days of Ellis Island have people born in other countries made up such a large portion of the people who populate our city, constitute its tax base, and drive its economy.

“The most visible symbol and source of New York City's comeback is that we're growing

How long have immigrants in NYC been in the United States?

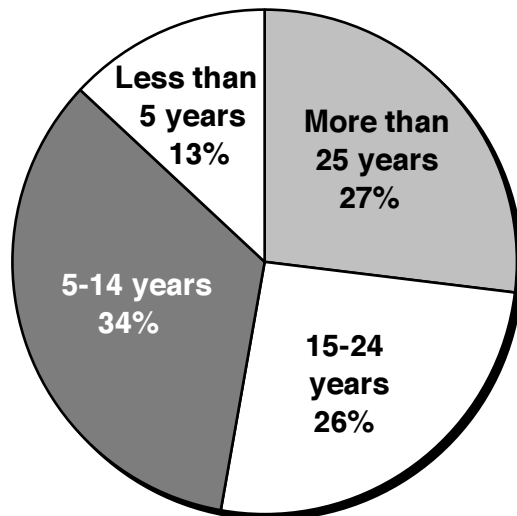


Figure 15.

Source: FPI analysis of 2005 ACS PUMS.

again,” Mayor Michael Bloomberg said in a recent speech. “Our population is at an all-time high,” he continued, and looking forward: “The engine driving New York’s future is growth. Growth that’s evident all around us.”²⁴

Numerous factors contributed to New York City’s rebirth, from resolution of the fiscal crisis to decline in crime to a national urban revival. Yet it is also clear that immigrants gave new life to a declining city.

A simple look at the population trend Mayor Bloomberg uses to make his point shows just how important immigration has been to New York City’s rebirth. The 1980 census count of 7.0 million caught the city at a low point, just after the fiscal crisis and population decline of the 1970s. Since then, the city has seen strong population growth, rising to a total of 8.2 million in 2005 and expected to grow further in coming decades. [Figure 16]

Disaggregating the data, however, what becomes clear is that the U.S.-born population has been essentially flat during this period. While there is always tremendous churn in the New York City population, with many people moving in and out, the net native-born population remained about the same during the time Mayor Bloomberg is calling New York’s comeback, declining slightly from 5.4 million to 5.2 million. The strong immigration of the past 25 years is what accounts for all of the net growth in city residents. As the areas of New York City that were underpopulated in the 1970s started to come back in the 1980s and 1990s, it was in large measure immigrants who were filling in the neighborhoods. [Figure 17]

Historic and projected populations New York City, 1950-2030

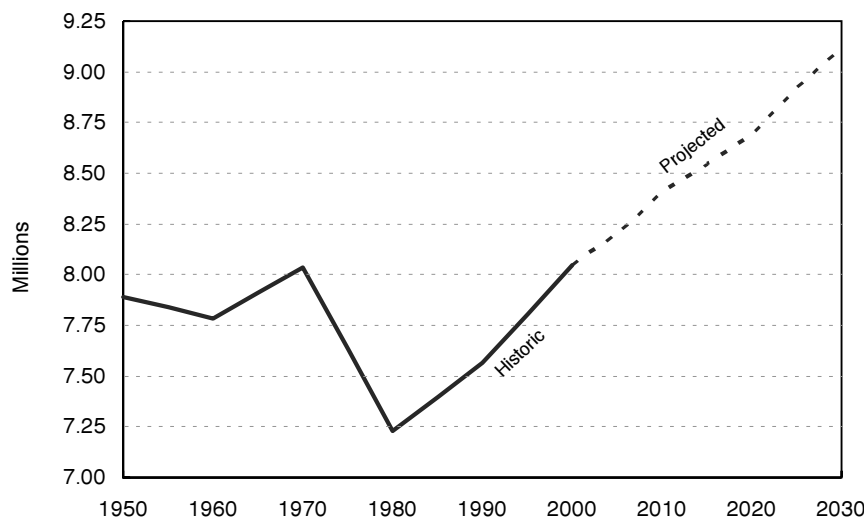


Figure 16.

Source: New York City Department of City Planning, as used by Mayor Bloomberg's powerpoint, *PlaNYC*. April, 2007.

Analysts at the Federal Reserve Bank of New York underscore the point, concluding in a recent paper about general challenges to the New York region's economy: "Such robust immigration is very important to sustain population growth and neighborhood vitality."²⁵

The increasing popularity of cities is not without costs. As people move in, rents go up as well. The high cost of real estate—and lack of affordable housing—is a concern in neighborhoods all around the city.

Looking at big cities around the country, New York's immigrant density is high, but hardly unique. Los Angeles and San Jose have a larger percentage of foreign-born residents than New York, and San Francisco, Houston, Dallas and San Diego all have populations in which over a quarter of residents are foreign-born. *[Figure 18]*

One strand of literature on economic development, exemplified by the work of Richard Florida, suggests that a diverse and cosmopolitan city is an excellent incubator for growth in today's global economy. And Alan Greenspan, when he was chair of the Federal Reserve Board, reinforced the notion that having a diverse workforce is important to today's economy. In testimony to Congress, Greenspan said: "As we are creating an ever more complex, sophisticated, accelerating economy, the necessity to have the ability to bring in resources and people from abroad to keep it functioning in the most effective manner increasingly strikes me as relevant policy."²⁶

New York City population trends

	1980	1990	2000	2005	Trend 1980-2005
U.S.-born	5.4 million	5.2 million	5.1 million	5.2 million	-194,000
Foreign-born	1.7 million	2.1 million	2.9 million	3.0 million	+1.3 million
Total NYC	7.0 million	7.3 million	8.0 million	8.2 million	+1.2 million
Immigrant share	24%	28%	35%	37%	

Figure 17.

Source: New York City Department of City Planning analysis of Census and ACS Data.

America's 20 biggest cities

	Total population	Foreign-born population	Immigrant density
Los Angeles, CA	3,731,437	1,505,337	40.3%
San Jose, CA	887,330	336,021	37.9%
New York City, NY	7,956,113	2,915,722	36.6%
San Francisco, CA	719,077	257,569	35.8%
Houston, TX	1,941,430	564,175	29.1%
Dallas, TX	1,144,946	313,121	27.3%
San Diego, CA	1,208,331	319,142	26.4%
Phoenix, AZ	1,377,980	311,167	22.6%
Chicago, IL	2,701,926	590,416	21.9%
Austin, TX	678,457	123,382	18.2%
Fort Worth, TX	604,538	105,940	17.5%
San Antonio, TX	1,202,223	168,825	14.0%
Charlotte, NC	601,598	79,600	13.2%
Philadelphia, PA	1,406,415	155,961	11.1%
Columbus, OH	693,983	63,134	9.1%
Jacksonville, FL	768,537	60,030	7.8%
Indianapolis, IN	765,310	51,295	6.7%
Detroit, MI	836,056	52,390	6.3%
Memphis, TN	642,251	36,455	5.7%
Baltimore, MD	608,481	34,225	5.6%

Figure 18.

Source: 2005 ACS (American FactFinder). Populations are of city, not metropolitan region.

The economics of immigration, race and ethnicity

Among the resident labor force, U.S.-born workers in New York City earn between nine and 19 percent more per hour than their foreign-born counterparts with the same level of education. But in New York City's highly polarized economy, there are substantial differences among different groups, even after correcting for educational attainment. *[Figure 19]*

There are limitations in the size of the data sample that prevent extensive or nuanced cross comparisons between different groups. A few differences, however, do stand out and hold up even after taking into consideration that distinctions have to be fairly large to be statistically significant.

First and most starkly, after correcting for education, whites still earn more than all other racial and ethnic groups. Among all workers with a high school education or higher, U.S.-born whites earn a good \$2.50 per hour more than any other racial or ethnic group, native- or foreign-born. *[Figure 20]*

In addition, immigrants to New York City come into a labor market with strong racially defined dimensions. Among workers with less than a high school education, white immigrants earn considerably higher wages than black or Hispanic immigrants. Among immigrant workers with a high school education, whites earn more than blacks, Asians, or Hispanics. The differences among workers with at least some college are not statistically significant.

Finally, foreign-born Hispanics tend to be at the bottom of the earnings chart. Among workers with a college degree, foreign-born Hispanics earn less than every other group, native- or foreign-born. Among those with a high school degree, foreign-born Hispanics earn less than all groups except foreign-born Asians (where the difference is not statistically significant).

Looking at race and ethnicity in New York's wage structure, it is clear that immigration matters, and education is an important part of the equation, but there is clearly an aspect of economic inequality that is not about immigration or education, but about race.

Hourly wages for NYC workers

Educational attainment	Foreign-born	U.S.-born	Difference between the two	Share of foreign-born	Share of U.S.-born
Less than high school	\$9.50	\$10.38	9%	21%	7%
High school	\$12.27	\$14.53	18%	33%	26%
Some college	\$14.53	\$16.74	15%	16%	21%
College	\$21.76	\$25.94	19%	31%	46%
All	\$13.85	\$18.68	35%	100%	100%

Figure 19.

Source: FPI analysis of CPS outgoing rotation groups, 2001-2006. Universe: those in labor force, age 25 and older, who reported education level. Medians of 6-year pools (in 2006 dollars, using CPI-U deflator).

Median hourly wages for NYC workers by nativity, race/ethnicity and educational attainment

Ethnicity and educational attainment	Median wages		Confidence intervals (90%)				Significant difference
	Foreign-born	U.S.-born	Foreign-born		U.S.-born		
White (non-Hispanic)							
Less than high school	\$11.54	\$10.38	\$10.48	\$12.60	\$8.80	\$11.95	no
High school	\$14.28	\$17.22	\$13.17	\$15.38	\$16.42	\$18.02	yes
Some college	\$16.33	\$18.68	\$14.69	\$17.97	\$17.78	\$19.57	no
College	\$23.35	\$27.98	\$21.74	\$24.95	\$27.23	\$28.72	yes
All	\$17.63	\$23.56	\$16.95	\$18.30	\$22.87	\$24.24	yes
Black (non-Hispanic)							
Less than high school	\$9.26	\$9.70	\$8.50	\$10.02	\$9.01	\$10.39	no
High school	\$12.39	\$12.93	\$11.70	\$13.08	\$12.40	\$13.47	no
Some college	\$14.50	\$14.89	\$13.53	\$15.46	\$14.02	\$15.76	no
College	\$22.63	\$21.72	\$21.24	\$24.02	\$20.06	\$23.38	no
All	\$14.11	\$14.51	\$13.61	\$14.62	\$14.04	\$14.97	no
Hispanic							
Less than high school	\$9.30	\$11.16	\$8.96	\$9.63	\$10.32	\$11.99	yes
High school	\$11.16	\$14.71	\$10.63	\$11.68	\$13.88	\$15.54	yes
Some college	\$14.01	\$15.62	\$12.88	\$15.14	\$14.28	\$16.96	no
College	\$17.85	\$22.60	\$16.29	\$19.42	\$20.89	\$24.30	yes
All	\$11.00	\$15.56	\$10.68	\$11.32	\$15.04	\$16.09	yes
Asian							
Less than high school	\$9.76	\$10.75	\$9.03	\$10.49	\$8.96	\$12.55	no
High school	\$11.85	\$14.01	\$11.06	\$12.65	\$12.00	\$16.02	no
Some college	\$14.53	\$15.06	\$13.01	\$16.04	\$11.02	\$19.11	no
College	\$22.23	\$24.18	\$20.21	\$24.24	\$21.45	\$26.90	no
All	\$15.00	\$19.95	\$14.23	\$15.77	\$18.57	\$21.32	yes

Figure 20.

Source: FPI analysis of CPS outgoing rotation groups, 2003 - 2006.

In 2006 dollars. Universe: those in labor force, age 25 and older.

Medians are from 4-year pools, deflated using CPI-metro NY.

Confidence interval was estimated using bootstrapping,

100 resamples with replacement; margin = 1.65 * standard deviation

of sample medians. Significance: there is less than a 10% chance that

one would see a difference in medians in any sample if the populations

had the same median; it is thus very likely that the populations differ

on this variable.

Immigrants help expand New York City’s middle class

Immigrant family income is clustered in the middle

In New York City—where income polarization and a middle-class squeeze have been among the thorniest economic problems—immigrants are helping to expand the ranks of the middle class. Native-born families tend to be more polarized, at both the top and bottom of the income spectrum, while families with immigrants seem to help somewhat at filling in the middle.

The median income of immigrant families and native-born families is essentially the same—there is no statistical significance to the difference. But people living in immigrant families—families with one or more immigrant adults—are more likely to be in the middle income ranges than at the extremes. The reverse is true for people living in U.S.-born families.

Of people living in immigrant families, 55 percent live in families with an income of between \$20,000 and \$80,000—compared to 44 percent among people living in families where all members were born in the United States. People living in immigrant families are less likely to have a family income of under \$20,000, and they are also less likely to have a family income of over \$80,000. *[Figure 21]*

How can median income be the same for immigrant and U.S.-born families if wages are lower for immigrants?

Immigrants have high labor force participation rates—64 percent of immigrants (compared to 60 percent of U.S.-born New York City residents) are in the labor force. Immigrants are also more likely to be of working age (16-64 years old). Immigrants work long hours—a little more than one hour a week more than native-born workers. And they tend to have more workers in each family—44 percent of immigrant families have two or more family members that work, compared to 28 percent of native-born families. *[Figures 22 and 23]*

The cluster of immigrant families in the middle income ranges is in part a reflection of the success of immigrants. But it is equally a reflection of the intense polarization of the native-born population, who are more likely than immigrants to be both in the bottom and the top family income brackets.

Immigrants are business owners and entrepreneurs

Immigrants traditionally have been business owners and entrepreneurs. Immigrants open businesses that serve other immigrants. They bring new ideas for goods and services that fit well in the local economy. And they run old businesses, sometimes in new ways—corner grocery stores, newsstands, or clothing stores.

Immigrants in New York City are clustered in the middle of the income distribution

Family income distribution	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Lowest quintile cutoff	\$16,420 to \$17,570	\$10,261 to \$11,674	yes
Second quintile cutoff	\$29,772 to \$31,747	\$26,306 to \$28,408	yes
Third quintile cutoff	\$47,914 to \$51,520	\$47,929 to \$51,844	no
Fourth quintile cutoff	\$78,519 to \$84,677	\$88,414 to \$96,758	yes
Median	\$37,890 to \$40,271	\$35,688 to \$38,645	no

Share of individuals in families with incomes	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Under \$20,000	23.5% to 25.4%	30.3% to 32.8%	yes
\$20,000 to \$39,999	25.1% to 27.7%	20.0% to 22.2%	yes
\$40,000 to \$59,999	16.0% to 18.2%	13.0% to 14.8%	yes
\$60,000 to \$79,999	10.4% to 12.4%	8.4% to 10.2%	yes
\$80,000 and above	19.5% to 22.0%	22.9% to 25.5%	yes

Figure 21.

Source: FPI analysis of Current Population Survey, ASEC (March supplements) covering years 2001-2005. Data is from a 5-year pool, with incomes in 2005 dollars (CPIU). Immigrant families are those in which any adult (18 or over) was foreign-born. Distribution weighted by family size. For example, 20 percent of native-born New York City residents live in families with family income below the lowest quintile cutoff. Range shown is 90 percent confidence interval. Significant at 90 percent means there is less than a 10 percent chance that the values fall outside these ranges. Standard deviations derived by bootstrapping at 100 resamplings.

Labor force participation in New York City

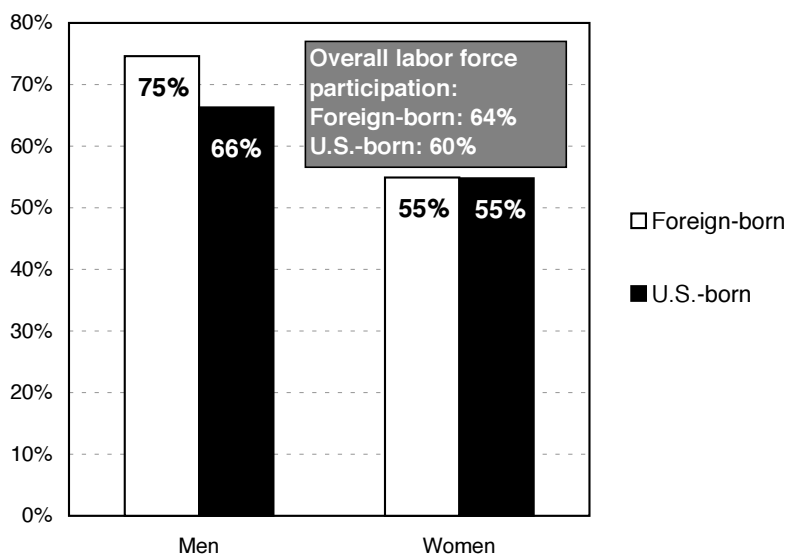


Figure 22.

Source: FPI analysis of 2005 ACS PUMS. Universe is all 16 and older.

Working long hours in NYC

	Foreign-born	U.S.-born
Average hours worked per person	40.0	38.8

...with more family members working

	Foreign-born families	U.S.-born families
2 family members work	33%	23%
3 or more family members work	11%	5%

Figure 23.

Source: FPI analysis of CPS March Supplement data, 2001-2005. Non-zero answer to “usual hours of work per week.” Foreign-born families are those with at least one immigrant over the age of 18. Shares and counts are 5-year averages. Shares are of individuals; thus, 33 percent of all people in immigrant families were in families with 2 workers.

Immigrant neighborhoods outpace the rest of New York City in business growth

	Number of businesses 1994	Number of businesses 2004	Increase 1994-2004	Percent increase 1994-2004
New York City	192,405	210,783	18,378	9.6%
Flushing	2,364	3,654	1,290	54.6%
Sunset Park	1,090	1,606	516	47.3%
Sheepshead Bay- Brighton Beach	1,421	1,900	479	33.7%
Elmhurst	1,040	1,301	261	25.1%
Washington Heights	1,807	2,129	322	17.8%
Jackson Heights	1,284	1,468	184	14.3%
Flatbush	888	984	96	10.8%

Figure 24.

Source: Center for an Urban Future, A World of Opportunity, analysis of NYS Labor Department data.

A recent report on immigrant entrepreneurship by the Center for an Urban Future found that within New York City, immigrants were a highly entrepreneurial group.

Immigration and growth in the number of businesses go hand in hand, the Center's study found. Neighborhoods with large numbers of immigrants, like Flushing, Sunset Park, Sheepshead Bay-Brighton Beach, or Elmhurst, far outpaced the city average between 1994 and 2004 for growth both in employment and in number of businesses.²⁷ [Figure 24]

Looking at the economic census for slightly different years, the number of Hispanic-owned firms in the city more than doubled between 1992 and 2002, and the number of Asian-owned firms nearly quadrupled. [Figure 25]

Growth of Hispanic- and Asian-owned firms in New York City

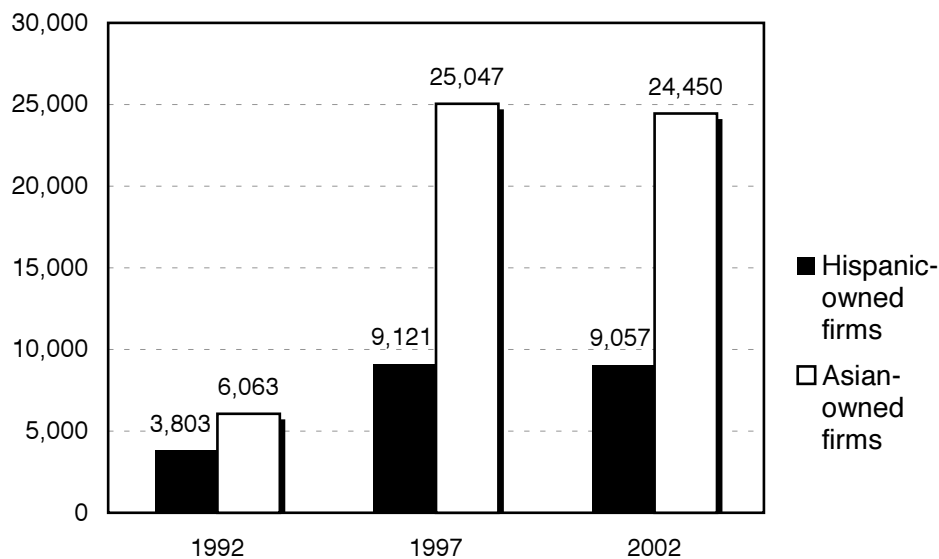


Figure 25.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

The number of people employed by Hispanic-owned firms more than doubled over the same period, and the number of people employed by Asian-owned firms more than tripled. The number of people employed by Asian-owned firms was higher in the boom year of 1997 than for 2002, a year of job loss. This may be a reflection of post-September 11 bias, which pushed some Middle-Eastern and South Asian people out of the city and discouraged others from coming. The decline of apparel manufacturing may explain some of this shorter-term trend as well. Whatever accounts for the short-term decline, however, the ten-year trend has been strongly upward. [Figure 26]

Employees of Hispanic- and Asian-owned firms

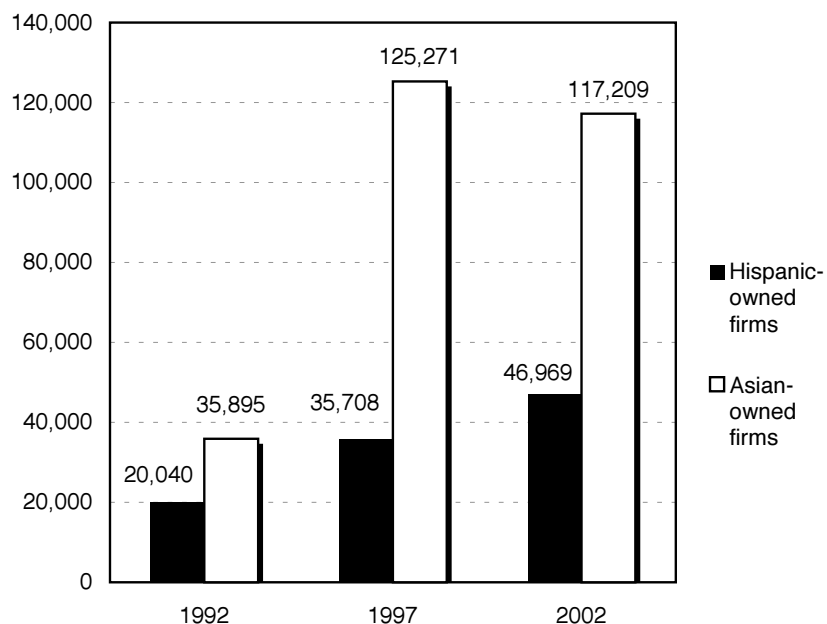


Figure 26.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

The growth in Asian- and Hispanic-owned businesses is far from an ideal proxy for growth in immigrant-owned businesses. Especially in New York City, many Asian and Hispanics are native-born, and many immigrants are not Asian or Hispanic. Still, in the absence of government data about immigrant-owned businesses, this presents an interesting sidelight on immigrant entrepreneurship.

Immigrants and labor unions

Joining unions is a significant step for immigrants toward integration in society, toward ensuring better conditions for all workers, and toward expanding the middle class.

In New York City, immigrant workers join unions at nearly the same rate as native-born workers—26 percent compared to 30 percent, according to an FPI analysis looking at a six-year pool of CPS microdata from 2001-2006. That's in both cases far higher than the United States average. In the United States as a whole, 14 percent of workers were covered by a union contract in the 2001-2006 period, according to the Bureau of Labor Statistics, and 13 percent were union members.²⁸ [Figure 27]

Immigrant unionization

New York City	Non-Union	Union	What share of immigrants are union members?	What share of union members are immigrants?
Education & Health	207,200	166,400	45%	46%
Wholesale & Retail	166,200	23,000	12%	52%
Leisure & hospitality	157,500	21,600	12%	53%
Finance	107,100	28,900	21%	45%
Professional & business	112,200	21,700	16%	50%
Other services	109,000	11,200	9%	60%
Construction	84,700	24,200	22%	50%
Transp. & Utilities	61,000	42,700	41%	40%
Manufacturing	78,500	18,400	19%	69%
Public administration	15,100	21,500	59%	24%
Information	24,000	5,500	19%	22%
All	1,123,800	385,000	26%	44%

Figure 27.

Source: FPI analysis of CPS data 2003-2006. Medians of 4-year pools.

Unions and immigrants, New York City

Median wage	Foreign-born		U.S.-born	
	Non-union	Union	Non-union	Union
Education & health	\$12.81	\$15.34	\$16.43	\$17.55
Wholesale & retail	\$10.54	\$13.09	\$12.30	\$13.00
Leisure & hospitality	\$9.29	\$12.67	\$10.96	\$16.83
Finance	\$18.63	\$16.92	\$22.32	\$16.54
Professional & business	\$16.68	\$13.87	\$19.61	\$16.83
Other services	\$10.27	\$11.00	\$14.86	\$17.37
Construction	\$12.90	\$17.37	\$16.43	\$22.41
Transp. & Utilities	\$13.70	\$16.52	\$15.07	\$17.50
Manufacturing	\$11.00	\$10.80	\$17.39	\$13.70
Public administration	\$19.00	\$16.83	\$20.52	\$16.98
Information	\$21.96	(c)	\$24.55	\$21.34
All	\$12.33	\$15.00	\$16.92	\$17.37

Figure 28.

Source: FPI analysis of CPS data 2003-2006; data points are medians of 4-year pools. Universe is those in the labor force or reporting a wage. In 2006 dollars, using CPI-U deflator.

(c) Sample size too small to report with any statistical significance.

Joining a union has significant benefits for immigrants, and historically has been important as a step up to the middle class. On average, immigrants gain nearly \$3 per hour by being in a union. The roughly \$3 per hour premium holds true for immigrants in most industry sectors except for the few in which highly paid work is not unionized, such as finance or professional and business jobs. [Figure 28]

A frequent concern about immigrants is that they may be forced to accept lower wages than their native-born counterparts, and thereby put downward pressure on the wages of native-born workers. Labor organization has been a traditional answer to this concern, bargaining collectively to prevent one part of the workforce from being pitted against another.

This positive role of unions seems to be reflected in New York City in sectors like wholesale and retail, public administration, or transportation and utilities. Among unionized workers, there is little difference in wage between immigrants and native-born residents, despite a significant discrepancy in wages among non-union workers.

In some broad industry sectors, it is worth noting, union wages are lower than non-union. This reflects the fact that in some sectors, such as finance or professional and business, highly-paid employees are not unionized.

Immigrants are clearly a key to the future of New York City labor unions. In 6 of the 11 major industry sectors, immigrants make up at least half of all union members, and in no sector do they make up less than 22 percent of union members. [Figure 29]

Immigrants in New York City join unions

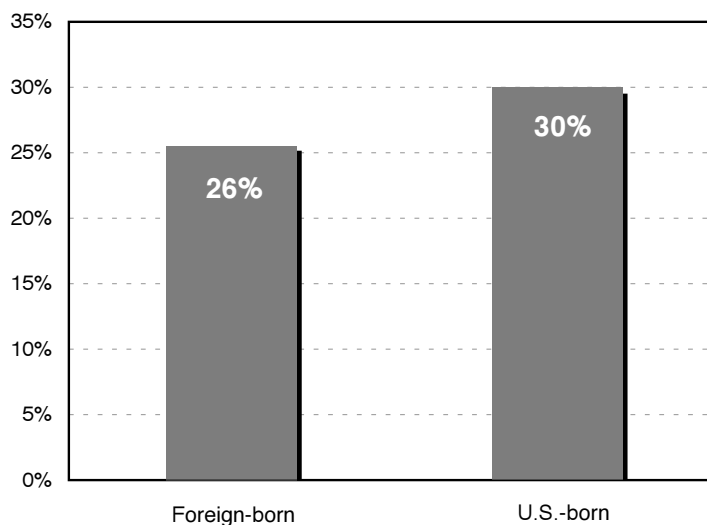


Figure 29.
Source: FPI analysis of CPS data 2001-2006.

Immigrant education levels

Immigrant education levels are not far from those of native-born residents with one very big exception. The number of immigrants with less than an eighth-grade education is worryingly high—15 percent, compared to five percent of native-born New York City residents. While the economics literature often compares foreign- and native-born workers with “less than high school” education, future research might fruitfully distinguish those who have not graduated from high school from those who have not graduated from middle school. [Figure 30]

Education level of immigrants in New York City

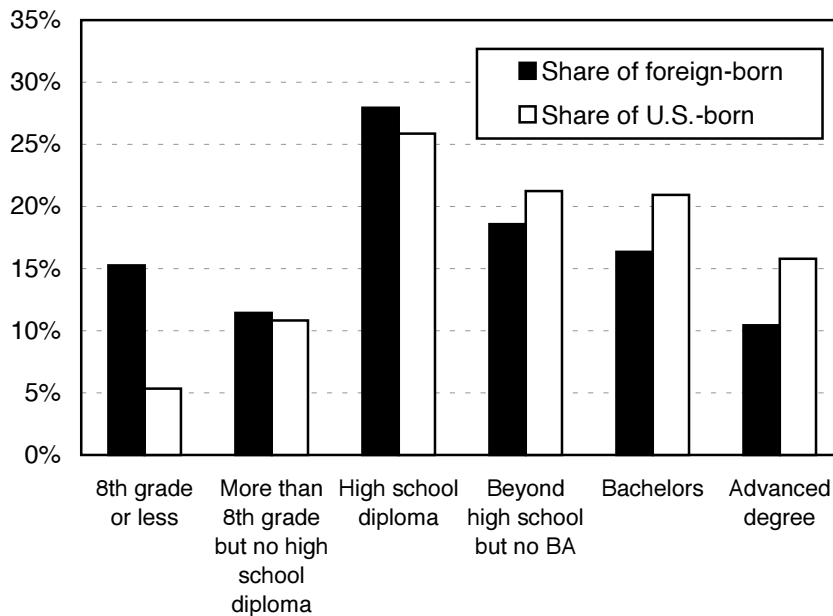


Figure 30.

Source: Fiscal Policy Institute analysis of 2005 ACS PUMS. Universe is New York City residents 25 years of age and older.

Over time, the number of immigrants with higher levels of education has increased significantly. In 1980, just 30 percent of immigrants living in New York City who had entered in the previous decade had some college or more. By 2005, fully 52 percent of all immigrants entering in the previous five years had some college or more. The same time period saw an even greater increase in the portion of the city’s U.S.-born population with at least some college, from 32 percent to 61 percent. [Figure 31]

A recent study of census data by economists at the Federal Reserve Bank of New York found that recent immigrants to New York City are better educated than in previous eras, but there are big differences that depend largely on country of origin. The study finds that some groups, primarily from Asia, have considerably higher college graduation rates than native-

Increase in the portion of recent immigrants with at least some college

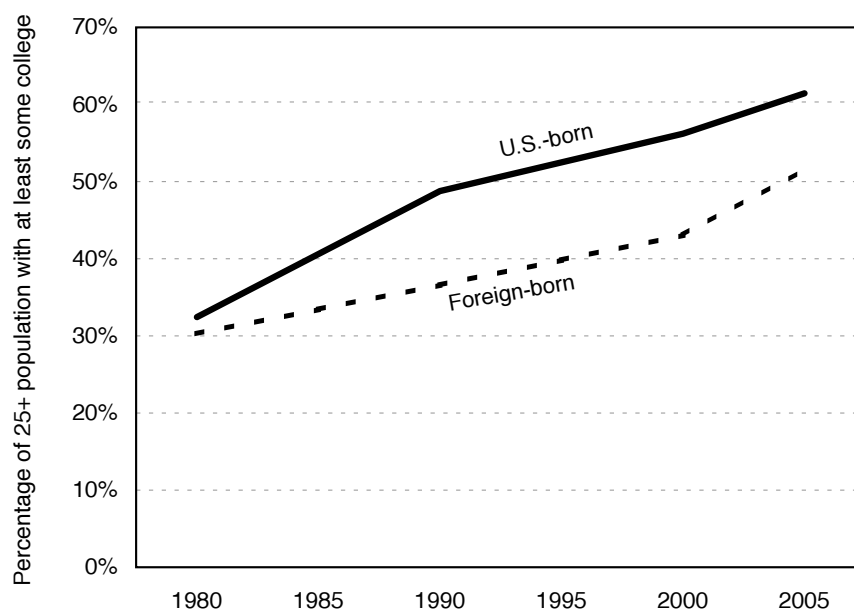


Figure 31.

Source: FPI analysis of Census 1980, 1990, and 2005 ACS IPUMS. Census 2000 is not used because coding does not allow a consistent delineation of some downstate counties. Data for 1985, 1995, and 2000 are interpolated for chart. Universe: Immigrants who were 25 or older as of year of original immigration, and who immigrated during the decade immediately preceding the census. For 2005 ACS, those who immigrated since 2000.

born residents, while other groups, from Latin America, the Caribbean, and Mexico, have considerably lower levels of educational attainment.²⁹

Immigrants and home ownership

In most of the United States, owning a home is an integral part of middle-class life. New York City has always been something of an exception, where a large percentage of middle-class residents live in rented houses or apartments. Still, while not necessary to middle-class life, owning a home in New York City is a sign of financial as well as emotional investment in the city and its future.

Foreign-born residents are making that investment at nearly the same rate as U.S.-born New Yorkers. Among immigrants, 34 percent live in owner-occupied homes, compared to 39 percent of U.S.-born New Yorkers, while the rest (66 percent of immigrants and 61 percent of U.S.-born residents) live in rented houses or apartments. [Figure 32]

Immigrants own homes

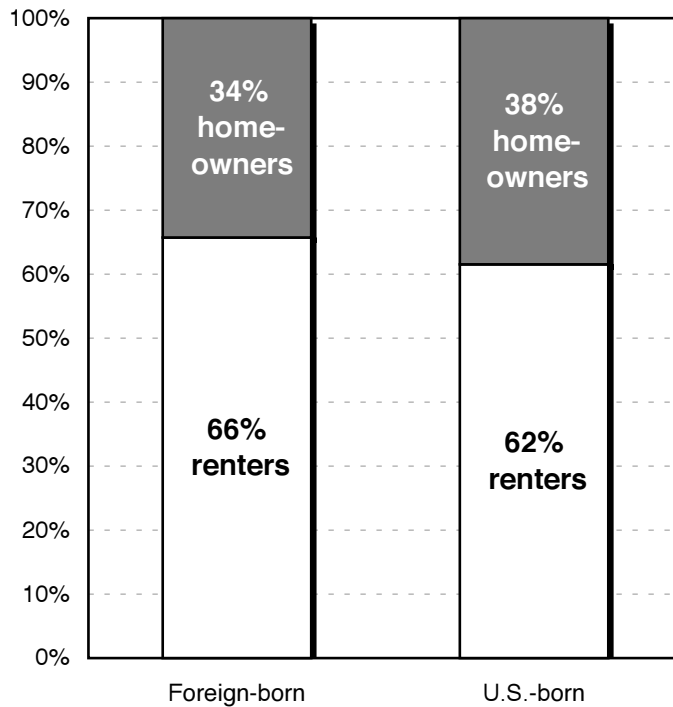


Figure 32.

Source: 2005 ACS (American FactFinder), tables B06013.

Numbers and shares refer to total people living in households.

Immigrants integrate into local communities

There is more that government, businesses, and civic organizations could do to help New York City immigrants get rooted in local communities, but immigrants today already are becoming integrated into American society, as generations of immigrants have before them.

Immigrants learn English over time, and it helps

One of the most important social and economic aspects of becoming American is mastering the English language. In today's global economy mastering more than one language can be a significant advantage both for native-born and immigrant New Yorkers—as long as one of the languages mastered is English.

It is therefore reassuring to see that immigrants to New York City do indeed gradually master English.

Over time, more immigrants speak only English at home, more speak well, and more speak

very well—and, of course, fewer speak not well or not at all. Of immigrants living in New York City who have been in the United States for 10 years or more, 27 percent speak only English at home, and another 29 percent speak English “very well.” A total of 76 percent of immigrants who have been in the United States ten years or more speak English at least “well.”

While some of the variation may have to do with the country of origin of immigrants, it’s clear that immigrants who stay in the United States are making the commitment to learn English. [Figure 33]

Immigrants to New York City improve their English skills over time

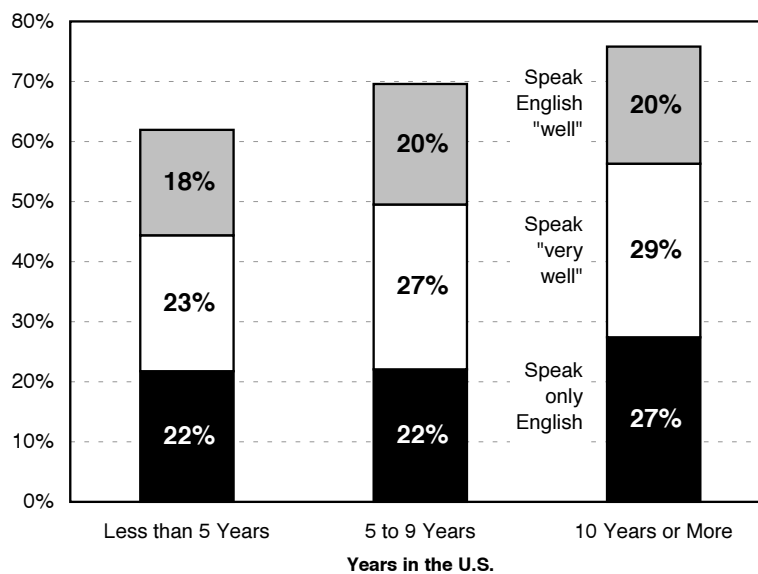


Figure 33.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrants 5 years of age and older.

Better English ability also helps immigrants succeed. Looking at the annual wage and salary income of immigrants, there is little difference between the individual annual income level of those who say they speak only English at home, and those who say they speak English very well. There is, however, a significant drop off in income when it comes to those who say they speak “well, not well, or not at all.” For immigrants who have a high school degree or less, the median annual wage and salary income is \$25,000 whether immigrants speak only English at home, or speak another language at home but speak English “very well.” By comparison, however, those who speak English less well or not at all have a median wage and salary income of \$19,000. The same trend holds for those with more than a high school degree: strong English speakers have a median individual income of \$42,000-\$43,000, while less strong speakers have a median income of \$28,600. [Figure 34]

English makes a difference

Annual wage and salary income for immigrants in New York City

High school completion or less		Median
Speak only English at home		\$25,000
Speak another language at home, but speak English very well		\$25,000
Speak another language at home and speak English well, not well, or not at all		\$19,000
More than high school		Median
Speak only English at home		\$43,000
Speak another language at home, but speak English very well		\$42,000
Speak another language at home and speak English well, not well, or not at all		\$28,600

Figure 34.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrant New York residents age 25 and older who reported positive wage and salary earnings for 2005.

How well do immigrants in New York City speak English?

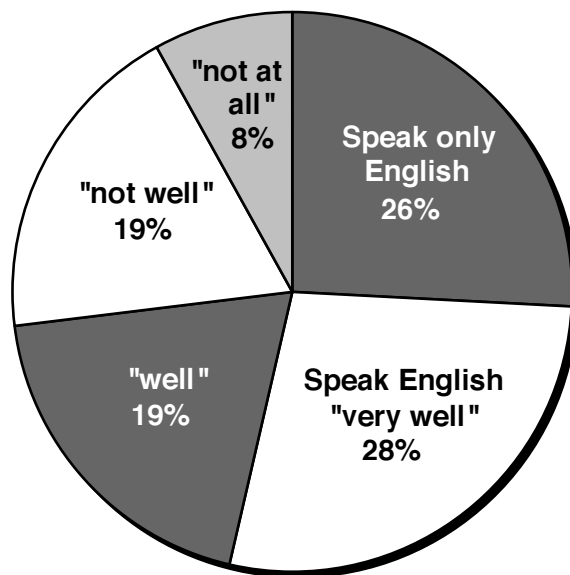


Figure 35.

Source: FPI analysis of 2005 ACS PUMS. Universe: those 5 years of age and older.

Of all immigrants living in New York City today, regardless of how long they have been in the United States or their educational level, 26 percent speak only English at home, 28 percent speak “very well,” and 19 percent speak “well.” Twenty-seven percent report speaking English “not well” or “not at all.” [Figure 35]

Immigrants raise American families and future generations of Americans

Immigrants to New York City are raising their families here, and raising their children as Americans. Over one million children in the city are children in immigrant families. [Figure 36] The overwhelming majority were born in the United States, and are thus U.S. citizens from birth.

Children being raised in immigrant families in New York City

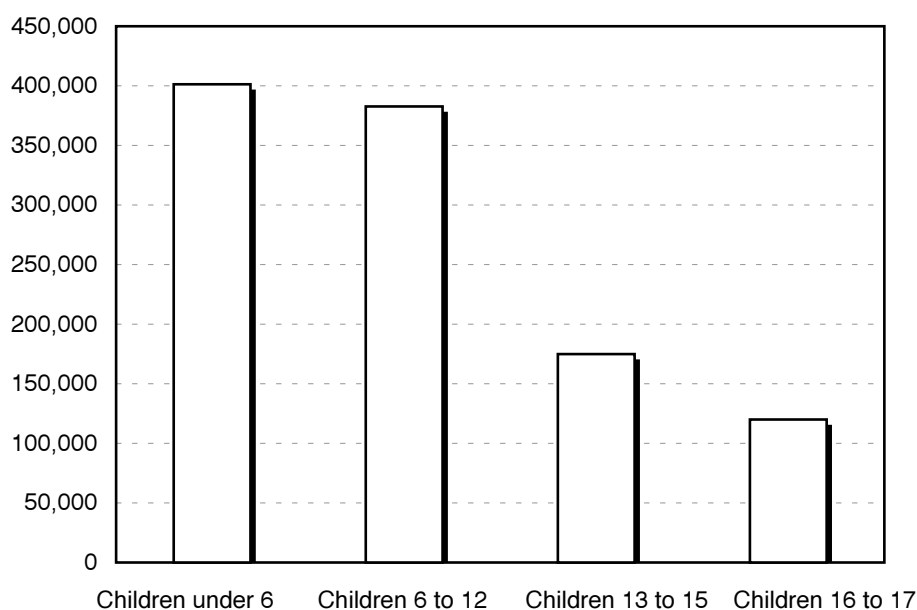


Figure 36.

Source: FPI analysis of 2005 ACS PUMS. Immigrant families are families with at least one immigrant over 18 years old.

All in all, 57 percent of all children in New York City live in families with at least one immigrant adult. That’s a figure that has tremendous implications for everything that relates to children and parents in New York City, from schools to health care. [Figure 37]

Children growing up in immigrant families

All children in New York City	1.9 million
Children living in immigrant families	1.1 million
Born in the U.S.	898,000
Foreign-born	181,000
Percent of children living in immigrant families who were born in the U.S.	83%
Percent of all children in New York City who live in immigrant families	57%

Figure 37.

Source: FPI analysis of 2005 ACS PUMS.

Children are all under 18 years of age. Immigrant families are families with one foreign-born adult family member.

It is worth noting that this report defines immigrant families as families with at least one immigrant over 18 years old. Another common way to define “immigrant families” is by considering families where the head of household is an immigrant. Looked at this way, the number of children in each age group is about 10 percent than with the broader definition of immigrant families. The portion of children living in families with an immigrant head of household is 51 percent.³⁰

Immigrants become citizens

Over half of all the foreign-born residents of New York City have become United States citizens. And, not surprisingly, the longer immigrants live in New York, the more likely they are to become citizens.

Immigrants who stay in the United States highly likely to become citizens: 81 percent of immigrants living in New York who have been in the United States for over 24 years are now U.S. citizens. [Figure 38]

Immigrants become citizens over time

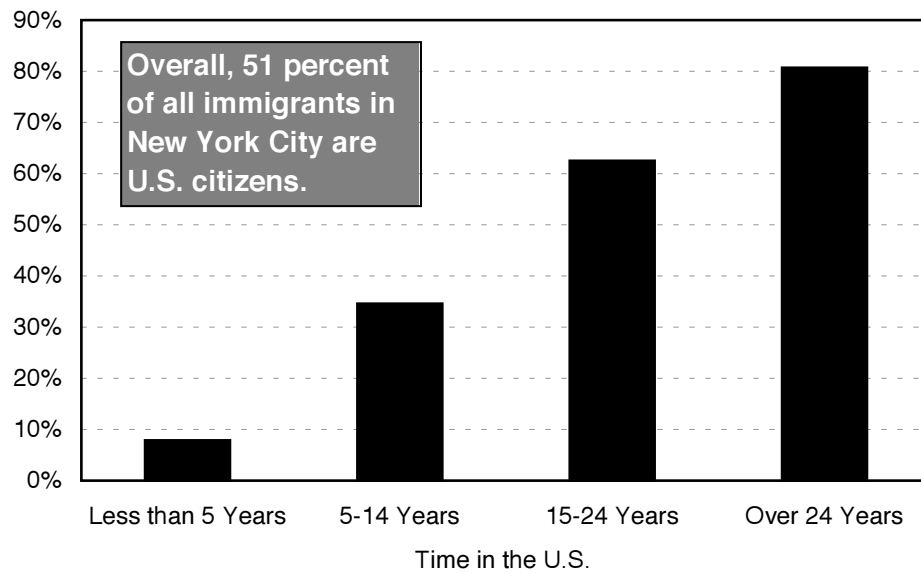


Figure 38.

Source: FPI analysis of 2005 ACS PUMS. Note that the data reflect only those immigrants still alive as of 2005, and who currently live in New York City.

Chapter 3

Downstate Suburbs: Growing, and Growing More Diverse

Immigrants contribute broadly and deeply to the local economy

New York’s downstate suburbs today are multicultural and globally connected, with strong economic growth, and a rapidly rising cost of living. Of the 740,000 immigrants living in the downstate suburbs, the largest number (260,000) live in Nassau County. Overall, the portion of the population of the downstate suburbs that is foreign-born is 18 percent, ranging from 11 percent in Putnam County to 25 percent in Westchester County. [Figure 39]

Downstate suburbs by county

	Foreign-born	Total population	Percent foreign-born
Westchester	228,796	915,916	25%
Rockland	58,066	285,088	20%
Nassau	261,428	1,310,076	20%
Suffolk	183,360	1,444,642	13%
Putnam	11,265	98,303	11%
Total	742,915	4,054,025	18%

Figure 39.

Source: 2005 ACS (American FactFinder).

In the downstate suburbs, the political situation regarding immigrants has been far more volatile than in New York City. A great deal of attention in the downstate suburbs has focused on Suffolk County, and its voluble critic of illegal immigration, County Executive Steve Levy, though there are pockets of tension in the other counties as well. Not all politicians in the region follow suit—in particular, some state legislators, including some from the downstate suburbs, have rebuked Levy’s aggressive anti-immigrant stand.

Controversial issues have included day laborer shape-up sites and crowded housing. It is interesting to note that Suffolk, which has become a flashpoint in the immigration debate, is the county with the second-lowest percentage of immigrants in the downstate suburbs. The foreign-born portion of the population in Suffolk is roughly half that of Westchester.

Immigrants contribute very broadly to the economic growth of the downstate suburbs, working in all sectors of the economy, and in all levels of jobs.

Measuring the portion of wage and salary earnings, which is a strong indication of overall economic contribution, we see that the immigrant portion of wage and salary income is slightly higher than their share of the population. [Figure 40]

If this comes as a surprise, consider two factors.

First, immigrants are more likely to be of prime working age—immigrants make up 23 per-

Immigrants play a big role in the downstate suburbs

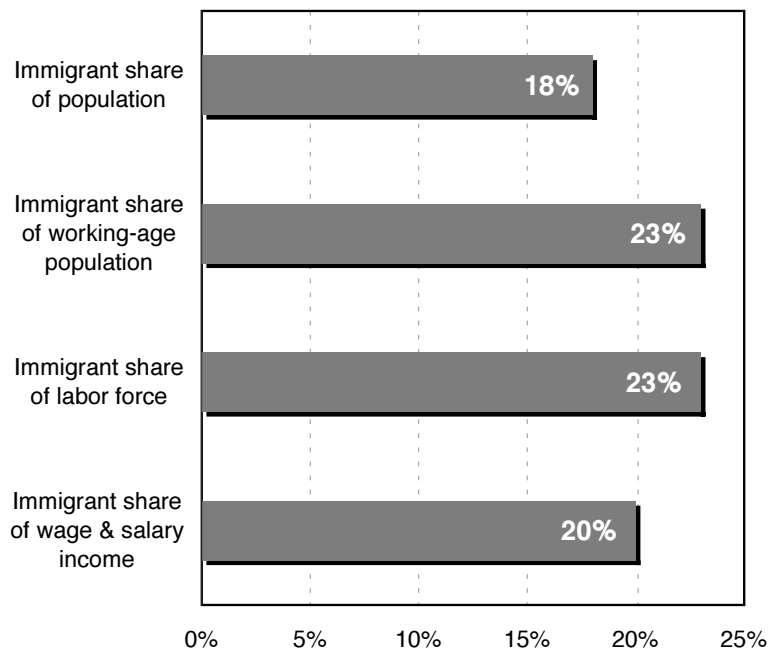


Figure 40.

Source: FPI analysis of 2005 ACS PUMS. Working age is 16-64 years old.

cent of the working-age population, and 23 percent of the labor force, despite being just 18 percent of the overall population.

Second, while immigrants are not doing as well as their frequently affluent neighbors, they are by no means all working in low-wage jobs. Day laborers may be the immigrants who are most visible to native-born residents, but they make up a tiny fraction of the overall immigrant population, and are in fact a small portion even of the undocumented population.

The full picture is far more varied. There are, indeed, a significant number of maids, grounds maintenance workers, building cleaner, child-care workers, and construction laborers. And, for some of the categories in which there are many undocumented workers, the numbers may be higher than reported in the census. [Figure 41]

But consider, too, that 41 percent of all physicians and surgeons in the downstate suburbs are foreign-born. So are 28 percent of college and university professors, 22 percent of accountants and auditors, and 19 percent of financial managers. The occupation with the largest number of immigrants in the downstate suburbs is registered nurses.

In all these jobs, immigrants contribute to the economy of the downstate suburbs through the income they earn, and the spending power that their earnings represent. The jobs that immi-

Top occupations of immigrants in the downstate suburbs

	Number of immigrants	Share of occupation
Registered nurses	15,000	29%
Maids & housekeeping cleaners	14,700	82%
Grounds maintenance workers	14,400	58%
Janitors & building cleaners	14,200	43%
Child care workers	13,000	41%
Nursing, psychiatric & home health aides	12,700	46%
Cashiers	11,900	24%
Physicians & surgeons	11,900	41%
Construction laborers	11,800	49%
Supervisors/managers of retail sales workers	11,500	22%
Retail salespersons	11,200	17%
Cooks	10,700	58%
Accountants and auditors	10,200	22%
Secretaries and administrative assistants	9,300	11%
Painters, construction and maintenance	8,900	71%
Carpenters	8,500	36%
Managers, all other	8,400	15%
Elementary & middle school teachers	7,800	9%
Driver/sales workers and truck drivers	7,200	23%
Food service managers	7,000	45%
Production workers, all other	6,200	63%
Waiters & waitresses	6,000	23%
Supervisors/managers of non-retail sales workers	5,800	22%
Bookkeeping, accounting & auditing clerks	5,700	19%
Supervisors/mgrs. of construction workers	5,600	27%
College and university professors	5,300	28%
Financial managers	5,000	19%
Occupations with fewer than 5,000 immigrants	282,500	
Total reporting an occupation	542,500	

Figure 41.

Source: FPI analysis of 2005 ACS PUMS.

grants hold help sustain not only the economy, but also the communities of downstate suburbs—as doctors, nurses, teachers, professors, retail workers, and restaurant staff.

How many of the immigrant workers in the downstate suburbs are undocumented? Any estimate is necessarily approximate. The best methodology allows a look at broad occupational categories for the downstate suburbs and upstate combined, in order to give a large enough sample. What it shows is that undocumented workers make up two percent of the overall labor force of the suburbs and upstate combined. An estimated nine percent of construction workers are undocumented, as are five percent of service and manufacturing workers.

[Figure 42]

Undocumented workers in downstate suburbs and upstate combined

Major occupation group	Estimated number of undocumented workers	Undocumented workers as a portion of all workers
Management, business & finance	4,000	0%
Professional & related	7,000	1%
Service	43,000	5%
Sales & related	7,000	1%
Office & administrative support	7,000	1%
Farming, fish & forestry	1,000	2%
Construction	24,000	9%
Install, maintenance & repair	2,000	2%
Production	25,000	5%
Transportation & material moving	9,000	4%
Total undocumented labor force	130,000	2%

Figure 42.

Source: Prepared for Working for a Better Life by Jeffrey S. Passel, Pew Hispanic Center, 2007. Based on Pew Hispanic Center data from March 2000-2006 CPS with legal status assigned. The CPS does not include direct information on undocumented status or any legal status, other than naturalization. Data have been adjusted to account for omissions from the CPS. Occupations included in this table have an average of at least 5,000 workers and the share undocumented exceeds the share of undocumented workers in the region. For more information on how these estimates are derived, see Appendix A. Data from Max Pfeffer, in text below, gives a more realistic estimate of both the number and the percent undocumented among farm workers.

Shape-up sites, where day laborers congregate to find jobs, have attracted a great deal of controversy in the downstate suburbs in recent years. However, only a very small portion of undocumented immigrants—and a small portion even of those who work in construction jobs—are hired through shape-up sites. The best study on this topic was conducted by Abel Valenzuela, Jr., professor at UCLA, and Edwin Meléndez, professor at Milano the New School for Management and Urban Policy. In the entire New York City metropolitan region, the study concludes, there are roughly 6,000 to 8,000 day laborers being hired through shape-up sites. Of these, half to two-thirds were estimated to be undocumented.³¹

A different methodology is needed to estimate the number of undocumented farm workers.

Using an approach based on the Census of Agriculture, Max Pfeffer, professor of development sociology at Cornell University, estimates that there are about 5,000 farm workers in the downstate region, almost all of them in Suffolk County. Of these, about 2,000 are seasonal workers—some migrants, others finding local work in non-agricultural jobs during the off-season. A high proportion of the migrant workers are estimated to be immigrants—perhaps 80 percent or more. Something on the order of two thirds of seasonal workers (i.e. workers who do not leave the state to work in agriculture in other areas) are estimated to be undocumented, as are some (but probably a smaller portion) of the year-round farm workers.³²

Overall, what stands out is that the downstate suburbs have a large and diverse array of immigrants, holding jobs at all levels.

Immigrants come to the suburbs from around the world

New York’s downstate suburbs are becoming increasingly ethnically and racially diverse, home to immigrants from around the world. As recently as 1980, nearly 90 percent of the residents of the downstate suburbs were white and a little over 10 percent were black, Hispanic, or Asian. In 2005, the ratio is about 70/30. [Figure 43, 44]

Downstate suburbs are growing more diverse

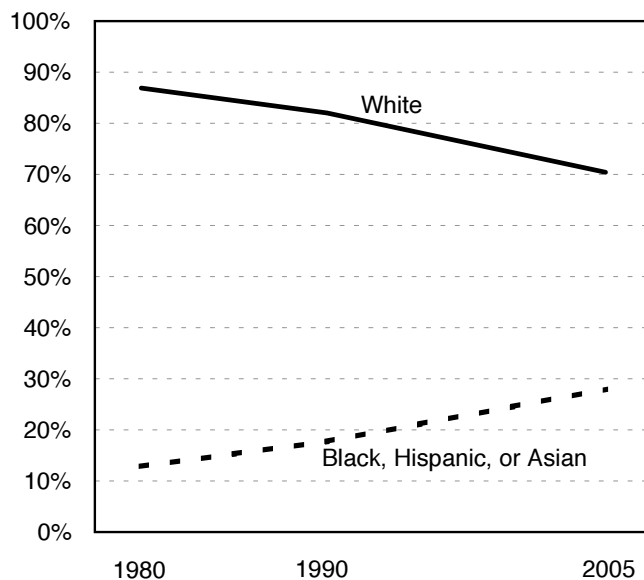


Figure 43.

Sources: FPI analysis of 1980 and 1990 Census, and 2005 ACS.

Geographic coding on the 2000 census limits ability to identify parts of northern suburban counties, so 2000 data is excluded, and data points are interpolated from 1980, 1990, and 2005 data.

Racial and ethnic composition of downstate suburbs

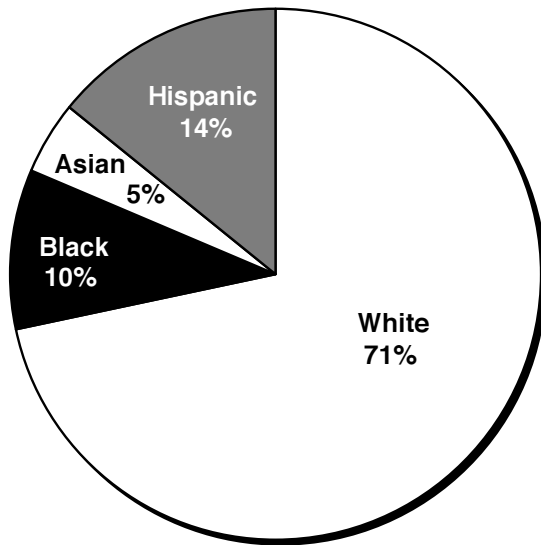


Figure 44.
 Source: FPI analysis of 2005 ACS IPUMS.

Race and ethnicity among immigrants in downstate suburbs

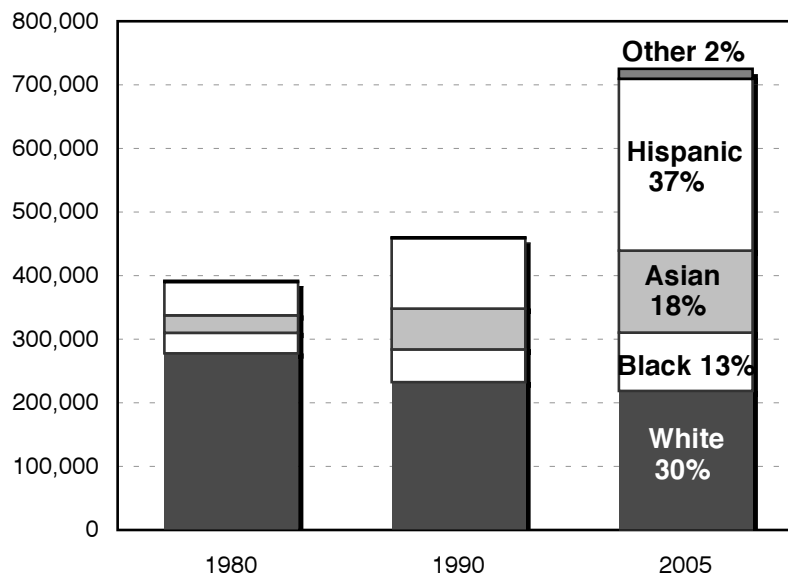


Figure 45.
 Sources: FPI analysis of 1980 and 1990 Census, and 2005 ACS PUMS. Geographic coding on the 2000 census limits ability to identify parts of northern suburban counties, so 2000 data is excluded.

“Immigrants” often are equated with “Hispanics,” but immigration to the downstate suburbs is far more diverse than that. Thirty-seven percent of immigrants living in the downstate suburbs are Hispanic, 31 percent white, 17 percent Asian and 13 percent black, according to the 2005 American Community Survey. In 1980, most foreign-born residents of the suburbs were white, but in the years since then the numbers of Hispanic, Asian, and black immigrants all have grown. *[Figure 45]*

In striking comparison to other areas of the United States, no single country of origin dominates the mix of immigrants in the downstate suburbs. In fact, no single country represents more than eight percent of the foreign-born population living in the region. A significant number come from Latin America (El Salvador, Dominican Republic, Mexico, Guatemala, Ecuador, Peru, Colombia, Honduras and Brazil). But the second-most common country of origin is Italy, and Poland, Germany, Ireland and England are also well represented among European immigrants. Foreign-born whites, in other words, are by no means just previous generations of Italian, Jewish, Irish and German immigrants. Jamaicans and Haitians are the main Caribbean immigrant groups, with most Asian and Pacific Islanders coming from India, the Philippines, Korea and China. *[Figure 46]*

It is also possible to estimate the number and country of origin of undocumented immigrants in Nassau, Suffolk, and Westchester. (Throughout this report, Rockland and Putnam are considered part of the downstate suburbs, but for this estimate those two counties are included in the upstate analysis because of the size of the samples and difficulty in estimating the number of undocumented immigrants.) In all, there are an estimated 130,000 undocumented immigrants in Nassau, Suffolk, and Westchester, making up about 21 percent of all immigrants in these three counties. The largest share of undocumented immigrants is from Mexico, Central America, and South America—71 percent. Another 10 percent come from the Caribbean, nine percent from South and East Asia, and five percent from Europe. *[Figure 47]*

Most immigrants living in the downstate suburbs have been in the United States for some time. Fourteen percent of immigrants in the suburbs came to this country in the past five years, and more than half (57 percent) have been here 15 years or more. *[Figure 48]*

Countries of origin for immigrants in the downstate suburbs

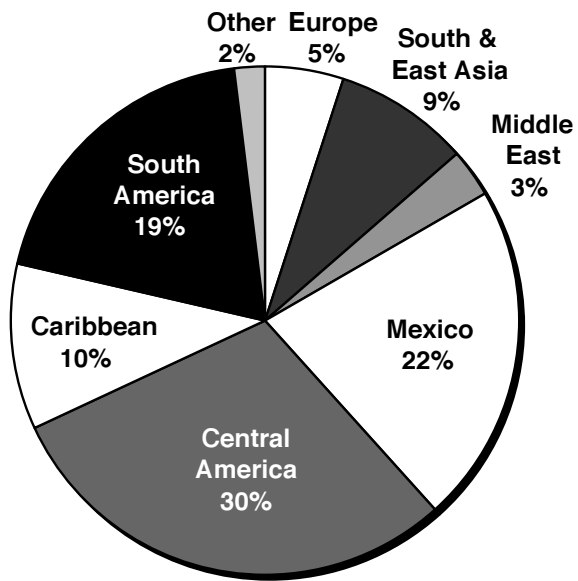
Countries from which there were more than 10,000 immigrants

	Number of immigrants	Share of all immigrants
El Salvador	57,800	8.0%
Italy	42,300	5.8%
Dominican Republic	39,100	5.4%
India	37,000	5.1%
Jamaica	35,600	4.9%
Mexico	32,600	4.5%
Guatemala	29,400	4.1%
Haiti	28,500	3.9%
Ecuador	24,500	3.4%
Philippines	23,100	3.2%
Peru	21,300	2.9%
Poland	19,600	2.7%
Korea	19,200	2.6%
Colombia	15,100	2.1%
China	14,200	2.0%
Germany	13,300	1.8%
Ireland	13,000	1.8%
Honduras	12,900	1.8%
England	11,000	1.5%
Brazil	10,500	1.4%
Total	725,200	

Figure 46.

*Source: FPI analysis of 2005 ACS PUMS.
Total from the microdata differs slightly from American Factfinder report of 742,900 immigrants in the downstate counties.*

Undocumented immigrants in Nassau, Suffolk, and Westchester



Total undocumented in Nassau, Suffolk and Westchester: 130,000

Figure 47.

Source: Prepared for Working for a Better Life by Jeffrey S. Passel, Pew Hispanic Center, 2007. Average of estimates from March Supplements to the Current Population Survey for 2000-2006. Augmented with legal status assignments and adjusted for omissions. See Appendix A for methods and details. Middle East includes Asian countries west of and including Iran, south of and including Turkey plus Cyprus and North Africa. Rockland and Putnam counties included in upstate rather than downstate suburbs for this analysis. (See Figure 74.)

How long have immigrants in the downstate suburbs been in the United States?

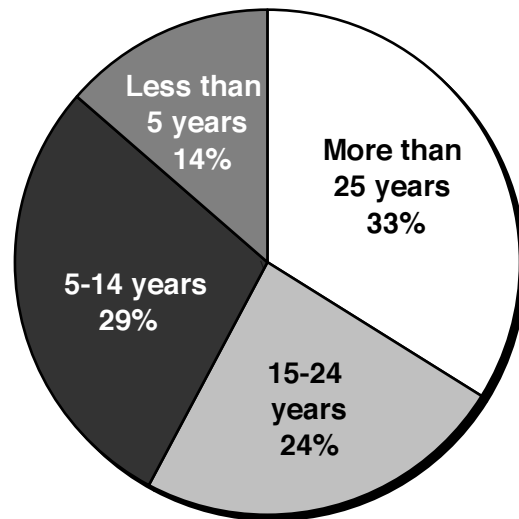


Figure 48.

Source: FPI analysis of 2005 ACS PUMS.

Immigrants strive to join the middle class

Immigrant families do fairly well in the downstate suburbs, but not as well as their affluent neighbors

The downstate suburbs are for the most part relatively affluent communities, and immigrants here tend to do fairly well. Most immigrants have at least some college education, work at reasonably well-paying jobs, can speak English, and own their own homes.

The median annual income for people living in families with at least one adult immigrant is \$71,000, compared to \$86,000 for people living in families without a foreign-born adult. By contrast, the median family income in New York City is less than \$40,000 for both immigrants and native-born residents. *[Figure 49]*

In the downstate suburbs, immigrants tend at each income level to be a step below U.S.-born residents. In the top bracket, immigrants are less likely than U.S.-born residents to live in families with income of over \$80,000 a year by a difference of about 10 percentage points, and they are more likely to be in each of the annual income brackets below \$80,000. It is quite striking that in the downstate suburbs, 43 percent of people in immigrant families and 53 percent of people in non-immigrant families have family income of over \$80,000. A solid majority of people in immigrant families has family income of over \$60,000. While immi-

Immigrants in the downstate suburbs are doing well, though not as well as U.S.-born residents

Family income distribution	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Lowest quintile cutoff	\$28,367 to \$33,280	\$35,991 to \$40,374	yes
Second quintile cutoff	\$53,181 to \$60,819	\$65,801 to \$71,414	yes
Third quintile cutoff	\$80,343 to \$89,653	\$100,042 to \$106,222	yes
Fourth quintile cutoff	\$126,158 to \$141,443	\$142,928 to \$152,170	yes
Median	\$67,666 to \$73,463	\$83,648 to \$89,033	yes

Share of individuals in families with incomes	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Under \$20,000	11.0% to 14.0%	7.9% to 9.6%	yes
\$20,000 to \$39,999	12.4% to 16.5%	11.1% to 13.3%	no
\$40,000 to \$59,999	12.6% to 16.6%	11.8% to 13.9%	no
\$60,000 to \$79,999	13.4% to 17.5%	11.6% to 14.0%	no
\$80,000 and above	40.4% to 45.6%	51.6% to 55.2%	yes

Figure 49.

Source: FPI analysis of Current Population Survey, ASEC (March supplements) covering years 2001–2005. Data is from a 5-year pool, with incomes in 2005 dollars (CPIU). Immigrant families are those in which any adult (18 or over) was foreign-born. Distribution weighted by family size. For example, 20 percent of native-born residents of the downstate suburbs live in families with family income below the lowest quintile cutoff. Range shown is 90 percent confidence interval. Significant at 90 percent means there is less than a 10 percent chance that the values fall outside these ranges. Standard deviations derived by bootstrapping at 100 resamplings.

grants are more likely than native-born residents to have incomes under \$20,000 a year, the differential is perhaps less than might be expected—13 percent compared to 9 percent.

Immigrants generally earn lower wages than U.S.-born workers at the same level of educational attainment. The median wage for immigrants with less than a high school education is about \$2 per hour less than for U.S.-born residents of the downstate suburbs. In a significant difference from New York City, in the downstate suburbs, the largest wage gap is among immigrants with the lowest levels of educational attainment. At the higher levels of education, the wage gap shrinks in the suburbs, so that immigrants with a college education make just 8 percent less than their U.S.-born counterparts, while immigrants with less than a high school education make 20 percent less. [Figure 50]

While immigrants earn somewhat lower wages on average than their native-born counterparts, they also tend to work slightly more hours per week—on average 39.8 hours, compared to 38.0 for native-born workers. [Figure 51] And labor force participation is slightly higher among immigrants than among U.S.-born residents of the downstate suburbs.

Median wages in the downstate suburbs

Educational attainment	Foreign-born	U.S.-born	Difference between the two	Share of foreign-born	Share of U.S.-born
Less than high school	\$10.31	\$12.39	20.1%	19%	3%
High school	\$14.23	\$16.81	18.1%	27%	26%
Some college	\$16.70	\$18.42	10.3%	18%	26%
College	\$27.28	\$29.50	8.1%	36%	45%
All	\$16.25	\$21.57	32.7%	100%	100%

Figure 50.

Source: FPI analysis of CPS outgoing rotation groups, 2001-2006.

Universe: those in labor force, age 25 and older, who reported education level. Medians of 6-year pools (in 2006 dollars, using CPI-U deflator).

Working long hours in the suburbs

	Foreign-born	U.S.-born
Average number of hours worked per week	39.8	38.0

Figure 51.

Source: FPI analysis of CPS March

Supplement data, 2001-2005. Non-zero answer to "usual hours of work per week."

Immigrant men are considerably more likely to be in the labor force than U.S.-born men—79 percent compared to 72 percent—while immigrant women work are in the labor force at about the same level as U.S.-born women (57 percent compared to 58 percent). [Figure 52]

Immigrants are business owners and entrepreneurs

There is no direct measure of immigrant business ownership and entrepreneurship available for the downstate suburbs. But one intriguing indicator of immigrant entrepreneurship, however imperfect, is the survey of Asian- and Hispanic-owned businesses.

Between 1992 and 2002, the number of Hispanic firms in the downstate suburbs increased by more than half, and the number of Asian firms more than doubled. [Figure 53]

Over the same period, the number of employees at Hispanic-owned firms grew by 31 percent. The number of employees in Asian-owned firms first increased dramatically, then came back down. Over the 10-year period there was a net of four percent growth, but it is not clear what accounts for the decline from 1997 to 2002. [Figure 54]

Labor force participation in downstate suburbs

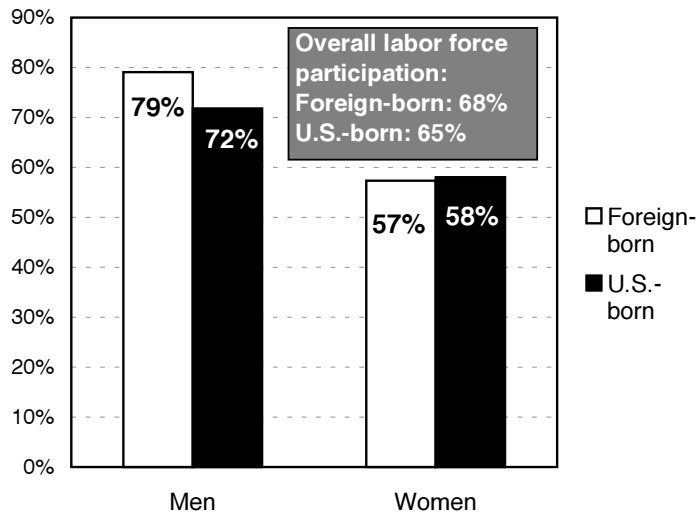


Figure 52.

Source: FPI analysis of 2005 ACS PUMS. Universe is all 16 and older.

Growth in Asian- and Hispanic-owned firms in the downstate suburbs

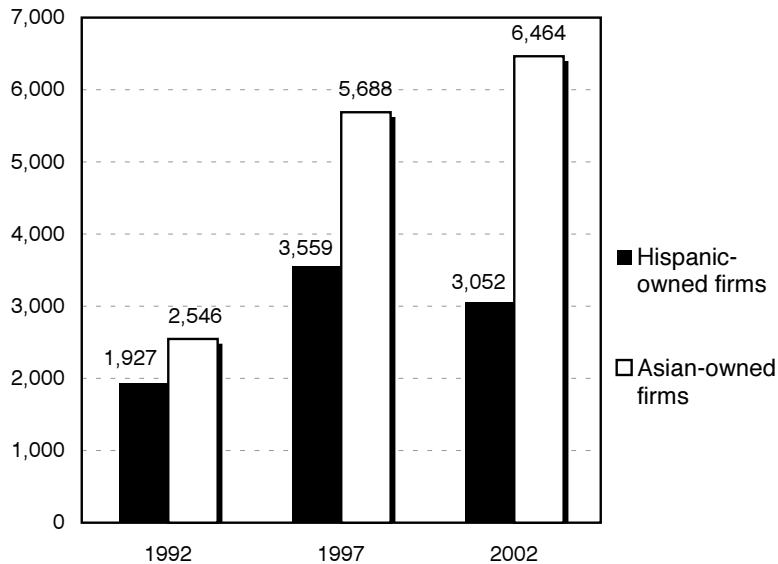


Figure 53.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

Employees of Asian- and Hispanic-owned firms

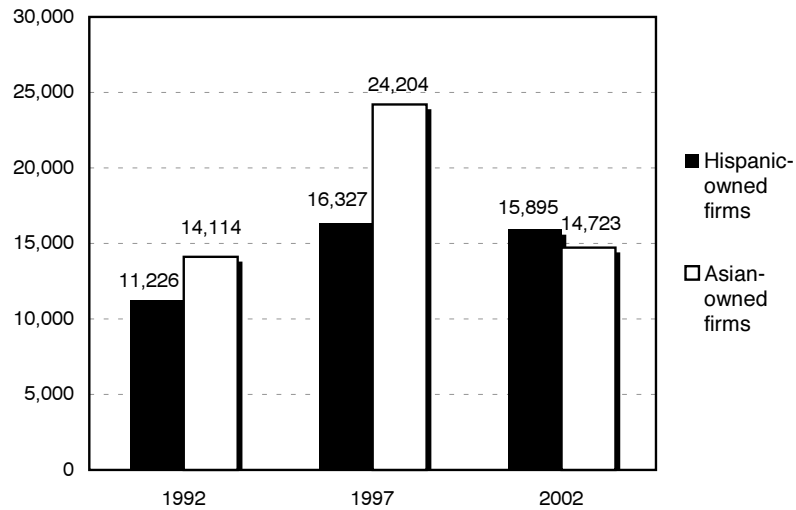


Figure 54.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

A recent study of Hispanics on Long Island, conducted for the Horace Hagedorn Foundation, found that the growth in Hispanic businesses also spurred a broader economic expansion. “Hispanic-owned business has boomed in Long Island in recent years,” the report concludes, “catalyzing the revival of moribund business districts in Freeport, Brentwood, Hempstead, Glen Cove and other Long Island communities.”³³

Immigrants and labor unions

Joining unions is one way for immigrants to help improve wages for all workers, and is often an important step toward social integration as well.

Consistent with this notion, joining a union has significant benefits for immigrants in the downstate suburbs: on average, immigrants gain over \$5 per hour by being in a union.

[Figure 55]

Indeed, immigrant workers in the suburbs join unions at close to the same rate as native-born workers. Of all immigrants in the region, 22 percent are union members, as are 27 percent of native-born workers. This is well above the United States average, where just 13 percent are union members and 14 percent are covered by union contracts. *[Figure 56]*

And, just as unions are important to immigrants, so too are immigrants important to unions. In the downstate suburbs, 22 percent of all immigrants are union members, and 18 percent of all union members are immigrants. *[Figure 57]*

Wages and unionization in downstate suburbs

Median wage	Immigrants	U.S.-born
Union-represented	\$19.05	\$23.08
Not union-represented	\$14.00	\$17.81

Figure 55.

Source: FPI analysis of CPS data, 2001-2006; data points are medians of 6-year pool. Universe is those in the labor force or reporting a wage. In 2006 dollars, using CPI-U deflator.

Immigrants in the downstate suburbs join unions

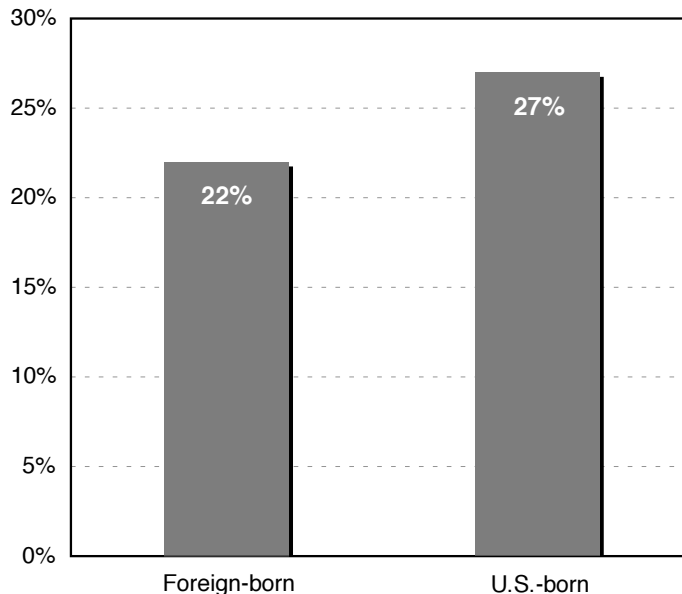


Figure 56.

Source: FPI analysis of CPS data 2001-2006.

Immigrant education levels

Compared with U.S.-born residents of the downstate suburbs, who are concentrated in the higher levels of educational attainment, immigrants are fairly evenly distributed at each educational level. Fifteen percent have an advanced degree, 19 percent have a bachelor's degree, 25 percent have some college, 23 percent have a high school diploma, and 25 percent have less than a high school diploma.

Immigrant unionization

Downstate suburbs	Non-union	Union	What share of immigrants are union members?	What share of union members are immigrants?
Education & health	55,100	40,500	42%	18%
Wholesale & retail	47,600	5,700	11%	35%
Leisure & hospitality	41,400	6,100	13%	21%
Finance	42,600	*	*	*
Professional & business	27,400	7,500	21%	22%
Other services	29,000	*	*	*
Construction	27,700	*	*	*
Transp. & utilities	27,000	*	*	*
Manufacturing	9,800	9,300	49%	16%
Public administration	4,200	7,600	64%	11%
Information	7,000	*	*	*
All	320,700	88,400	22%	18%

Figure 57.

Source: FPI analysis of CPS data 2003-2006. Medians of 4-year pools.

Asterisk indicates that the number of union members is less than 5,000.

There is a significant difference in the comparison of educational levels between the downstate suburbs and New York City. What differs, however, is not the educational levels of immigrants—which are roughly the same, and in fact slightly higher in the suburbs—but the educational levels of U.S.-born residents. In the downstate suburbs, there are very few residents over 25 years old with less than a high school education (5 percent), and virtually nobody with less than an eight-grade education (less than 2 percent).

Much of the economics literature about immigration points to the importance of complementarity: if immigrant workers have very different skills (i.e., different levels of education), then they are unlikely to compete with native-born workers for jobs. This may be an economic advantage to having a comparatively large number of immigrants with less than a high school degree, and very few native-born residents.³⁴

By the same token, however, income is highly correlated with educational achievement, and social divisions may arise when residents have greatly different levels of income. Efforts to improve wages and to provide continuing education opportunities for people with less than a high school education might appropriately address these concerns. Nonetheless, it is interesting to note that competition in the labor market is probably significantly less as a result of this educational differential. [Figure 58]

Over the past 25 years, both immigrants and native-born residents have shown healthy gains in the portion of the population with at least some college education. Native-born education

Immigrant education levels in the downstate suburbs

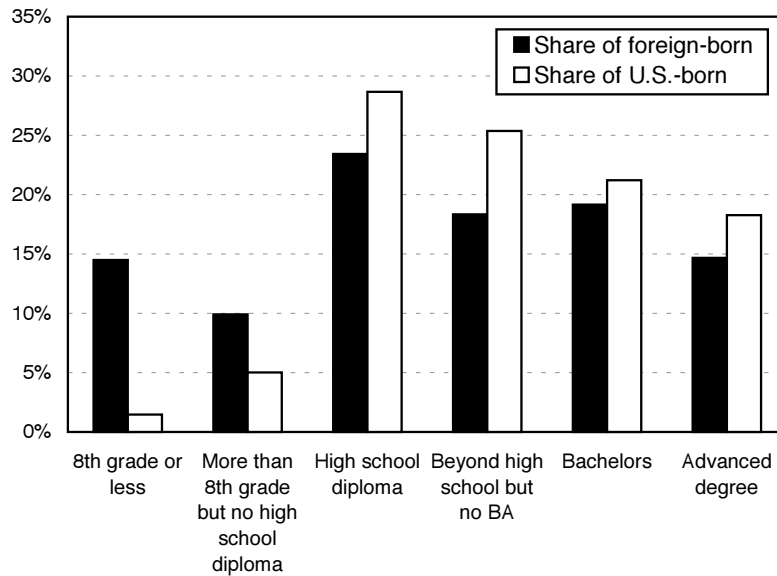


Figure 58.

Source: Fiscal Policy Institute Analysis of 2005 ACS PUMS. Universe is residents of the downstate suburbs 25 years of age and older.

levels, however, have grown faster than the level for immigrants, so that where they were just two percentage points apart in 1980 (30 compared to 32 percent), they are nine percentage points apart in 2005 (52 compared to 61 percent).

Over time, the number of immigrants with higher levels of education has increased significantly. From 1980 to 2005, the portion of immigrants with at least some college education increased strongly from 36 to 55 percent. Over the same period, however, the portion of U.S.-born residents of the downstate suburbs with at least some college increased even more steeply, from 40 to 65 percent. [Figure 59]

Immigrants and home ownership

In the downstate suburbs, as in most of the United States, owning a home is an important hallmark of middle-class life.

U.S.-born residents in the downstate suburbs own homes at a very high rate, with 83 percent of all native-born residents living in an owner-occupied house or apartment. Immigrants are not far behind, with 67 percent living in owner-occupied homes. [Figure 60]

An increasing number of recent immigrants have at least some college

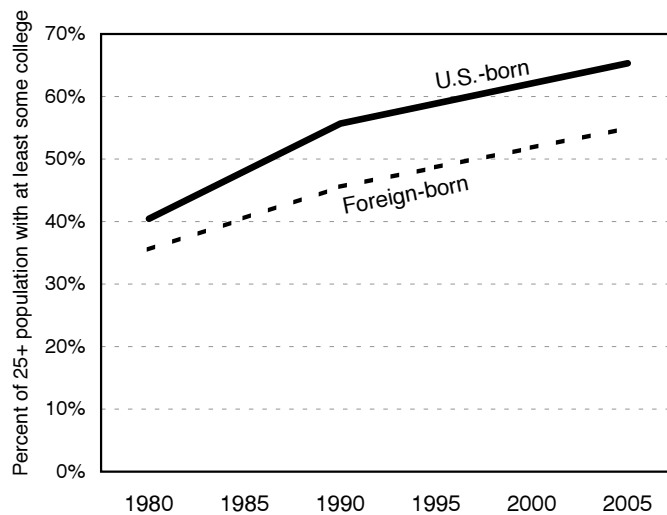


Figure 59.

Source: FPI analysis of Census 1980, 1990, and 2005 ACS IPUMS. Census 2000 is not used because coding does not allow a consistent delineation of some downstate counties. Data for 1985, 1995, and 2000 are interpolated for chart. Universe: Immigrants who were 25 or older as of year of original immigration, and who immigrated during the decade immediately preceding the census. For 2005 ACS, those who immigrated since 2000.

Immigrants own homes

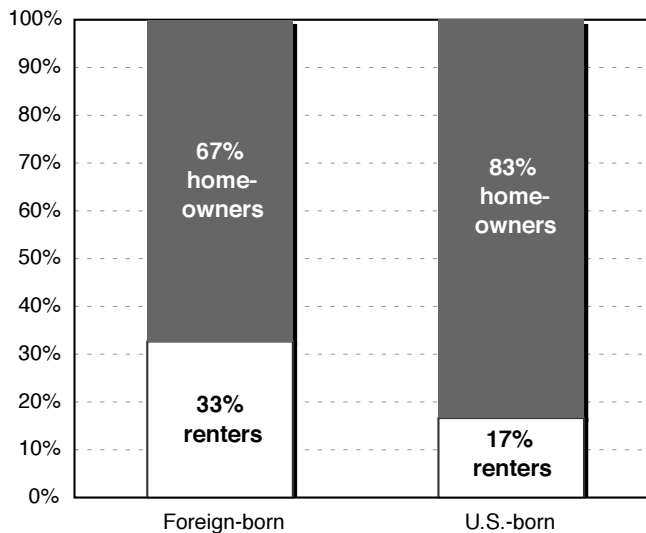


Figure 60.

Source: 2005 ACS (American FactFinder), tables B06013. Numbers and shares refer to total people living in households.

Immigrants integrate into local communities

Immigrants learn English over time, and it helps

An important way that immigrants can step up the economic ladder is by improving their English. At every educational level, immigrants make a big jump in annual earnings when they advance from speaking English “well, not well, or not at all” to speaking English “very well.” (The level of English ability is self-reported in the American Community Survey.) [Figure 61]

In the downstate suburbs, it is interesting to note that—unlike in the rest of New York State—immigrants speaking only English earn considerably more even compared to those who speak English “very well.”

Of immigrants living in the downstate suburbs today, 22 percent speak only English at home, 37 percent speak very well, and 21 percent speak well. Twenty percent speak not well or not at all. [Figure 62]

Over time, more immigrants speak only English at home, more speak well, and more speak very well—and, of course, fewer speak not well or not at all. Nearly 90 percent of immigrants who have been in the United States for ten years or more say they speak English at least well, and 66 percent say they speak very well or speak only English. [Figure 63]

English makes a difference

High school completion or less	Median
Speak only English at home	\$35,000
Speak another language at home, but speak English very well	\$26,000
Speak another language at home and speak English well, not well, or not at all	\$20,000
More than high school	Median
Speak only English at home	\$55,000
Speak another language at home, but speak English very well	\$50,000
Speak another language at home and speak English well, not well, or not at all	\$38,000

Figure 61.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrant New York residents age 25 and older who reported positive wage and salary earnings for 2005.

How well do immigrants in the downstate suburbs speak English?

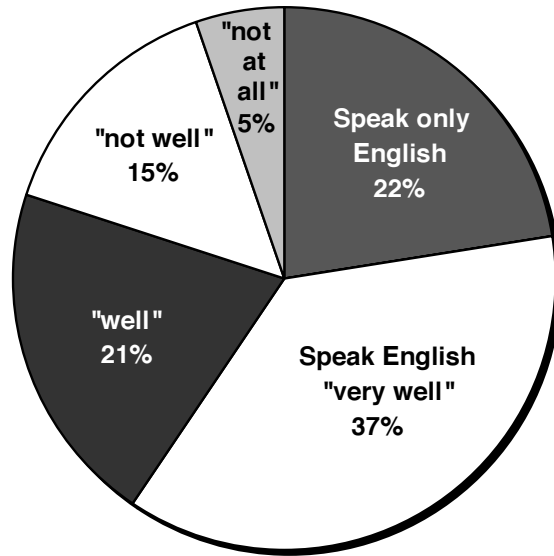


Figure 62.

Source: FPI analysis of 2005 ACS PUMS. Universe: those 5 years of age and older.

Immigrants in the downstate suburbs improve their English over time

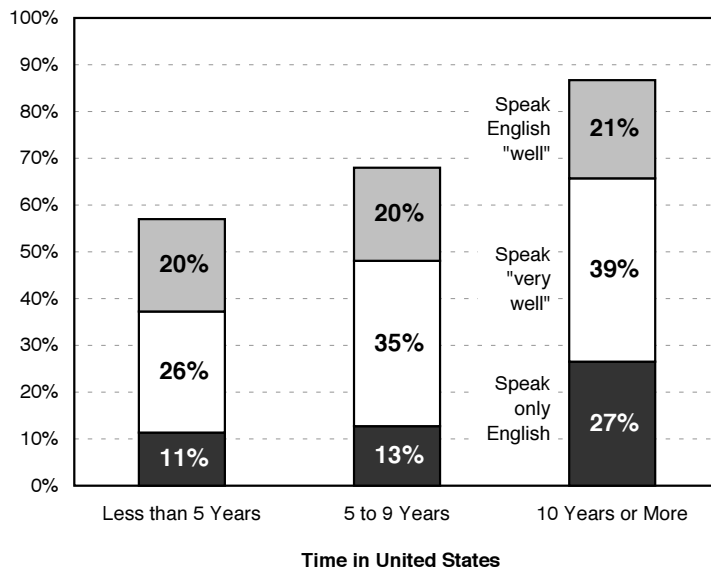


Figure 63.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrants 5 years of age and older.

The strong improvement in English language ability suggests that immigrants who stay in the United States do learn to speak English.

Immigrants raise American families and future generations of Americans

Some 310,000 children in the suburbs are living in immigrant families. The overwhelming majority were born in the United States, and are thus U.S. citizens from birth. [Figure 64]

The children of immigrants are an important part of the future of the downstate suburbs. Children in immigrant families are almost one third of children living in the downstate suburbs today—31 percent of children under 18 years old live in a family with at least one foreign-born adult. [Figure 65]

It is worth noting that this report defines “immigrant families” as families with at least one immigrant over 18 years old. If, instead, immigrant families are defined as families with an immigrant as the head of the household, the number of children in immigrant families is reduced by about 20 percent. The share of children living in families with an immigrant head of household is 24 percent.

The children of immigrants are an important part of the future of the downstate suburbs—children of immigrant families are one in three children (under 18 years old) living in the downstate suburbs today.

Children being raised in immigrant families in downstate suburbs

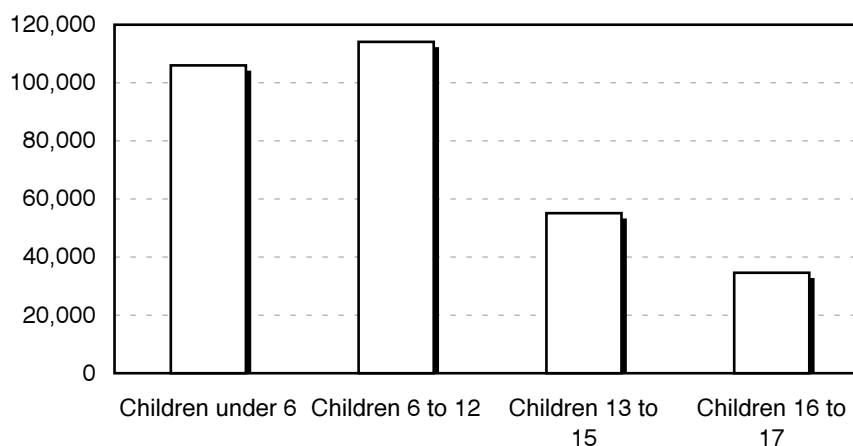


Figure 64.

Source: FPI analysis of 2005 ACS PUMS. Immigrant families are families with at least one immigrant over 18 years old.

Children growing up in immigrant families

All children in downstate suburbs	1.0 million
Children living in immigrant families	310,000
Born in the U.S.	272,000
Foreign-born	38,000
Percent of children living in immigrant families who were born in the U.S.	88%
Percent of all children in downstate suburbs who live in immigrant families	31%

Figure 65.

Source: FPI analysis of 2005 ACS PUMS.

Children are all under 18 years of age. Immigrant families are families with one foreign-born adult family member.

Immigrants become citizens

Over half of all the foreign-born residents of the downstate suburbs have become U.S. citizens. And, not surprisingly, the longer immigrants live in New York, the more likely they are to become citizens.

Immigrants who stay here are highly likely to become citizens: 85 percent of immigrants to the downstate suburbs who have lived in the United States for over 24 years are now U.S. citizens. [Figure 66]

Immigrants become citizens over time

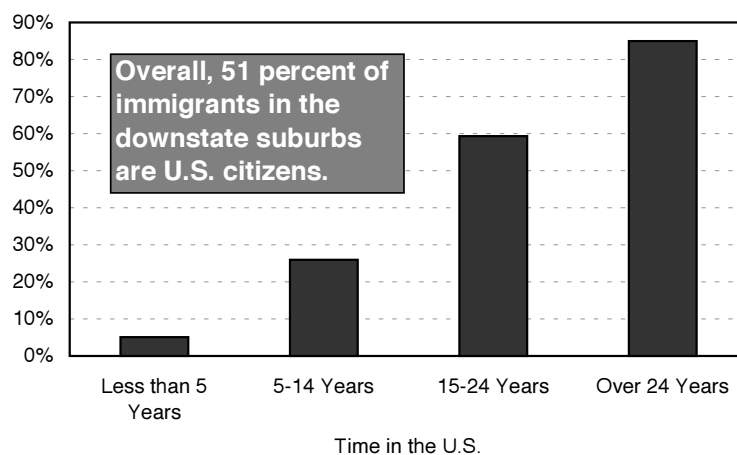


Figure 66.

Source: FPI analysis of 2005 ACS PUMS. Note that the data reflect only those immigrants still alive as of 2005, and who currently live in the downstate suburbs.

Chapter 4

Upstate New York: Immigrants Play a Key Role in Fields Important to Future Growth

Immigrants help keep upstate growing

Upstate New York is economically more precarious than the rest of New York State, particularly in cities in western New York. During the 1990s and early part of the current decade, upstate experienced a long period of lagging behind the rest of the state—and of declining population in the big cities. Over the last two or three years, there have been some welcome signs of modest growth upstate, but the economy is still far from robust. Some 340,000 immigrants live in the region, making up about five percent of the population. Immigrants are a relatively small but nonetheless important part of upstate communities.

In the heyday of the Erie Canal, immigration to upstate rivaled the immigration in New York City. Today, immigrants make up a relatively small portion of the population. Still, immigration has been a controversial issue, with concern focused particularly on undocumented immigrants.

Compared to other regions of the state, immigrant share of both population and earnings upstate are relatively modest. But, using immigrant share of wage and salary earnings as a way to gauge economic contribution, immigrants' economic contribution in the upstate region is greater than their share of share of population, and greater than their share of the labor force. [Figure 67]

Immigrants contribute to the upstate economy

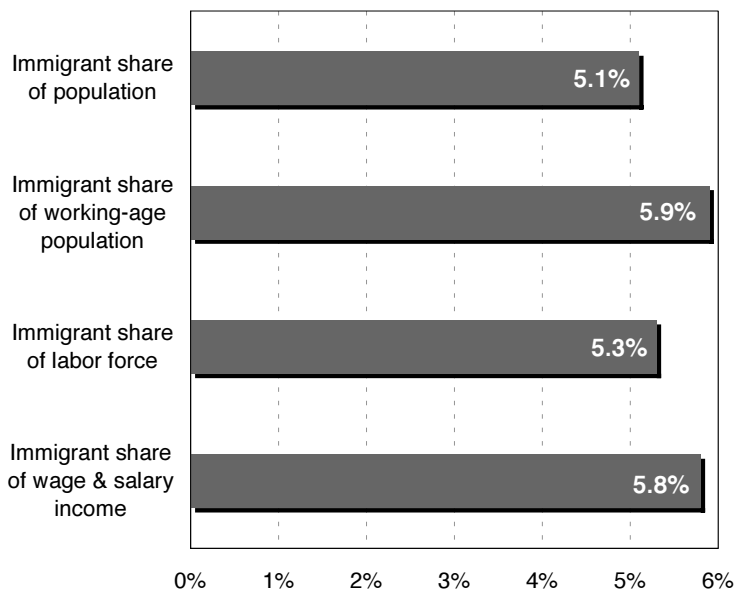


Figure 67.

Source: FPI analysis of 2005 ACS PUMS. Working age is 16-64 years old.

Upstate immigrants are more likely to be in the labor force than U.S.-born residents. Immigrants upstate make up 5.3 percent of the labor force, and 5.9 percent of the working-age population, compared to their 5.1 percent share of the population.

However, the main reason immigrants make a contribution proportionate to—even a little higher than—their portion of the population is that they work in all sorts of jobs.

Economic studies, press reports, and public discussion frequently focus on low-wage immigrants. There are, indeed, many immigrants in low-wage service jobs. However, looking at the full range of jobs immigrants in upstate New York hold, it's clear that immigrants also hold a disproportionate number of professional jobs.³⁵

Over one third of all doctors living upstate are immigrants, as are one fifth of all computer software engineers. In fact, with only one exception—maids—every one of the occupations where immigrants represent more than ten percent of workers in the field are high-wage professions. *[Figure 68]*

In particular, immigrants play a very significant role in four fields of particular importance to the upstate economy: higher education, health care, research & development, and agriculture.

Higher education. Universities play an important role in the upstate economy that goes far beyond their immediate economic contribution. The largest occupational category for immigrants in upstate New York, it is thus worth noting, is college and university teachers. The 10,000 immigrants working in this field make up one out of every five post-secondary teachers in the region. The wealth of public and private universities is one of upstate New York's economic strong points—a recent study from the Brookings Institution shows that upstate has 24 percent more institutions of higher education per capita than the country as a whole, concluding that “higher education is a key contributor to upstate's economy.”³⁶ Making sure that there are world-class professors, graduate students, and undergraduates is a far-reaching benefit to the upstate economy. Indeed, finding ways to keep more of the students living upstate after they graduate would add even further to the region's economic growth.

Health care. Immigrants are well represented among doctors, nurses, and nursing aides. Over one third of all doctors living upstate are immigrants, and immigrants are nursing aides and registered nurses in proportion to their numbers in the general population. Health facilities are important for their direct contribution to the economy—“health care is the fastest growing sector in upstate,” the Brookings study concludes. And health care is also important in supporting overall communities: it is clear that communities that cannot retain medical services become less attractive places to start businesses or raise families.

Research and development. Top-notch laboratories and research facilities traditionally have been not only a source of good jobs for researchers, but also an underpinning of high-

Top occupations of immigrant residents in upstate New York

	Number of immigrants	Share of occupation
College and university professors	10,000	20%
Janitors and building cleaners	7,100	8%
Physicians and surgeons	6,300	35%
Cashiers	6,200	6%
Supervisors/managers of retail sales workers	5,200	6%
Retail salespersons	4,300	4%
Secretaries and administrative assistants	4,300	3%
Managers, all other	4,100	6%
Driver/sales workers and truck drivers	4,100	5%
Cooks	4,100	7%
Production workers, all other	4,000	9%
Nursing, psychiatric, and home health aides	3,600	5%
Maids and housekeeping cleaners	3,600	11%
Miscellaneous assemblers and fabricators	3,300	9%
Computer software engineers	3,200	20%
Registered nurses	3,200	4%
Accountants and auditors	3,100	7%
Carpenters	2,900	6%
Waiters and waitresses	2,800	5%
Inspectors, testers, sorters, samplers & weighers	2,700	10%
Elementary and middle school teachers	2,700	2%
Computer scientists and systems analysts	2,200	13%
Physical scientists, all other	2,200	41%
Construction laborers	2,200	5%
Teacher assistants	2,100	5%
Office clerks, general	2,100	6%
Child care workers	2,100	5%
Other teachers and instructors	2,100	8%
First-line supvrs./mgrs., office & admin. support workers	2,000	5%
Engineers, all other	2,000	13%
Total in occupations with fewer than 2,000 immigrants	116,600	
Total reporting an occupation	227,400	

Figure 68.

Source: FPI analysis of 2005 ACS PUMS.

value-added manufacturing. Anyone concerned about the future of research and development should note that in the upstate region, immigrants make up 20 percent of computer software engineers, and 13 percent of computer scientists and systems analysts. Immigrants also make up significant portions of two residual census categories: other physical scientists (2,200 jobs, 41 percent of all workers in this job category) and other engineers (2,000 jobs, 13 percent of all in the category).

Agriculture. The farm economy of upstate depends on immigrant workers. Farm workers do not appear in the statistics above, but Max Pfeffer, professor of development sociology at

Cornell University, has studied farm workers extensively. He estimates that immigrants make up a very high portion of seasonal farm workers—perhaps 80 percent or more of the 41,000 seasonal workers in the upstate region. Many immigrants are working legally in the United States, such as the 2,000 and 2,500 foreign farm workers coming to New York State under H2A visas in recent years, mostly to work in apple orchards in the Hudson Valley, the North Country, and the Finger Lakes. However, Pfeffer estimates that roughly two thirds of seasonal workers are undocumented. This is broadly in line with a recent report by the Bard College Migrant Labor Project, which found that out of 113 workers at Hudson Valley farms who were interviewed, 71 percent of farmworkers were undocumented, and 21 percent are guest workers. Sixty-three percent of that sample were from Mexico, 21 percent from Jamaica, and 12 percent from Guatemala.³⁷

In addition to seasonal workers, there are another 19,000 estimated year-round farm workers in the upstate region. Many of these are also immigrants, particularly on dairy farms. Pfeffer estimates that undocumented workers make up a much lower percentage of year-round farm workers than of seasonal workers.³⁸

Agriculture is an important part of upstate New York's heritage. But helping agriculture thrive while making agricultural jobs into good jobs—whether they are filled by immigrants or U.S.-born workers—is a significant challenge to the upstate economy.

Besides these four areas, upstate immigrants also work in many of the same types of jobs as immigrants fill in other parts of the country. Upstate immigrants work as janitors, cashiers, maids, and construction workers in significant numbers.

Grouping together the downstate suburbs and upstate region allows for a reasonable estimation of the occupations of undocumented workers. The result is presented in Figure 42, in the downstate suburbs chapter. As noted there, about two percent of all workers in upstate and the downstate suburbs combined are estimated to be undocumented, including nine percent of workers in construction, and five percent in service and manufacturing.

These are fields where it is common for employers to skirt labor laws, permitted in part by lax state and federal law enforcement, with the ill effects being borne both by immigrants and U.S.-born workers.

Nonetheless, immigrants are generally doing as well as other upstate residents, and contributing in very significant and even strategic ways to the upstate economy.

Where do immigrants live upstate?

Overall, immigrants make up five percent of the upstate population. But, upstate is the largest and in many ways the most varied of the regions covered in this report. The role of immigrants in the economy varies considerably in different parts of upstate.

In the east, from the Capital District and the Hudson Valley, economic growth has been fairly strong in recent years. Not surprisingly, perhaps, these are also among the counties in the upstate region with the most immigration. Six of the eight counties with the highest portion of immigrant population in upstate are in this region: Dutchess, Orange, Sullivan, Albany, Greene, and Ulster. [Figures 69 and 70]

Where do immigrants live in upstate New York?

County-level data from the 2000 Census

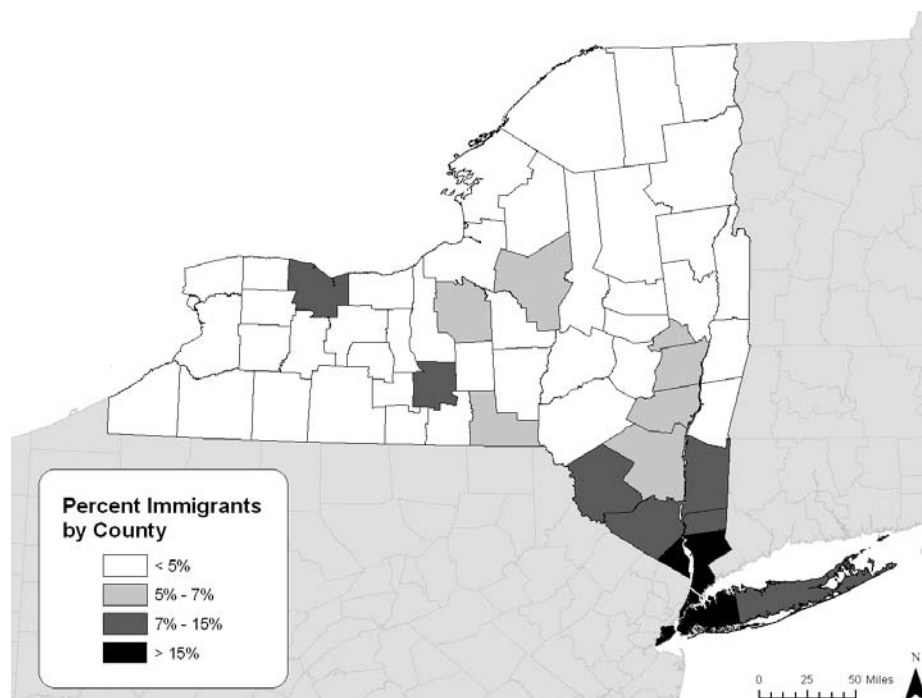


Figure 69.

Source: FPI analysis of 2000 Census microdata. For upstate counties, the 2000 Census count has the most recent statistically significant data available. Map created by the Regional Plan Association. See figure 70 for county-by-county data, and for 2005 information, when it is available.

Immigrant share of population, upstate New York

County	Total population 2000	Foreign-born share, 2000	Foreign-born share, 2005
Tompkins	96,501	10.5%	10.3%
Dutchess	280,150	8.4%	10.1%
Orange	341,367	8.4%	10.3%
Sullivan	73,966	7.9%	8.5%
Monroe	735,343	7.3%	7.5%
Albany	294,565	6.5%	6.7%
Greene	48,195	6.4%	-
Ulster	177,749	5.9%	6.9%
Onondaga	458,336	5.7%	5.6%
Schenectady	146,555	5.3%	7.3%
Broome	200,536	5.3%	5.3%
Oneida	235,469	5.2%	6.0%
Clinton	79,894	4.5%	4.2%
Erie	950,265	4.5%	5.1%
Columbia	63,094	4.4%	-
Niagara	219,846	3.9%	3.0%
Rensselaer	152,538	3.7%	5.0%
Franklin	51,134	3.7%	-
Jefferson	111,738	3.7%	2.2%
Delaware	48,055	3.4%	-
St. Lawrence	111,931	3.4%	2.6%
Essex	38,851	3.4%	-
Montgomery	49,708	3.2%	-
Saratoga	200,635	3.1%	-
Ontario	100,224	2.7%	3.4%
Orleans	44,171	2.7%	-
Livingston	64,328	2.6%	-
Seneca	33,342	2.4%	-
Warren	63,303	2.4%	1.9%
Schoharie	31,582	2.4%	-
Wayne	93,765	2.3%	1.9%
Otsego	61,676	2.3%	-
Yates	24,621	2.3%	-
Cayuga	81,963	2.3%	1.1%
Wyoming	43,424	2.3%	-
Madison	69,441	2.2%	1.6%
Cortland	48,599	2.2%	-
Chemung	91,070	2.2%	1.4%
Genesee	60,370	2.2%	-
Herkimer	64,427	2.0%	-
Fulton	55,073	1.9%	-
Chautauqua	139,750	1.9%	1.7%
Washington	61,042	1.9%	-
Steuben	98,726	1.9%	-
Allegany	49,927	1.8%	-
Chenango	51,401	1.7%	-
Tioga	51,784	1.7%	-
Oswego	122,377	1.6%	1.4%
Hamilton	5,379	1.5%	-
Cattaraugus	83,955	1.4%	2.2%
Schuyler	19,224	1.2%	-
Lewis	26,944	1.1%	-
Total	18,976,457	20.4%	21.4%

Figure 70.

Source: 2000 Census and 2005 ACS (American FactFinder).

Data not available in 2005 for all counties. 2005 data not available for counties with population of less than 65,000.

Tompkins County, home to Cornell University and Ithaca College, stands out in the upstate region as the only upstate county with a population that is over ten percent immigrants in the 2000 Census. By 2005, Dutchess and Orange counties, in the growing Hudson Valley region, also had populations with over ten percent immigrants.

In general, the percentage of immigrants in urban areas of upstate is only slightly higher than the upstate average. The big three cities of Western New York have progressively higher levels of immigration moving from the western to the eastern part of the state. Buffalo has a foreign-born population of 5.5 percent, Rochester 8.5 percent, and Syracuse 9.3 percent (according to the 2005 ACS). All three have economies that rely on higher education, health care, engineering, and technology—areas in which immigrants play a big role.

[Figure 71]

Other upstate areas have a particular recent history with immigration. Utica, for instance, has developed policies with the hope that immigrants, particularly refugees, can help revive its urban areas. In 2000, Utica had an immigrant population of 11.9 percent.

Immigrant population in upstate cities

	2000 population	Percent foreign-born 2000	Percent foreign-born 2005
Albany (city)	95,658	8.6%	9.0%
Auburn	28,574	3.3%	-
Binghamton (city)	47,380	8.5%	-
Buffalo (city)	292,648	4.4%	5.5%
Cortland (city)	18,740	3.5%	-
Elmira (city)	30,940	2.2%	-
Glens Falls (city)	14,354	1.7%	-
Ithaca (city)	29,287	16.0%	-
Jamestown (city)	31,730	2.2%	-
Kingston (city)	23,456	5.1%	-
Newburgh (city)	28,259	20.3%	-
Niagara Falls	55,593	5.0%	-
Plattsburgh (city)	18,816	5.8%	-
Poughkeepsie (city)	29,871	13.9%	-
Rochester (city)	219,773	7.3%	8.5%
Rome	34,950	3.8%	-
Saratoga Springs	26,186	3.2%	-
Schenectady (city)	61,821	6.5%	-
Syracuse (city)	147,306	7.6%	9.3%
Troy	49,170	5.8%	-
Utica	60,651	11.9%	-
Watertown (city)	26,705	4.0%	-

Figure 71.

Sources: 2000 Census for all cities. 2005 ACS (American FactFinder) for cities where available.

In Poughkeepsie, home to a major IBM corporate campus, 13.9 percent of the population was foreign-born in 2000.

Newburgh has upstate’s highest concentration of immigrants, with 20 percent of all residents in the city of Newburgh born in a foreign country, according to the 2000 Census.

Immigrants also play an important role as agricultural workers in rural areas, where they may be highly visible in areas where immigrants are otherwise rare.

Immigrants come to upstate New York from around the world

Over the past 25 years, neither immigration nor overall population has grown much in upstate NY. There were 6.2 million US-born residents and 330,000 immigrants in the region in 1980, and about 6.3 million US-born and 340,000 immigrants in 2005. [Figure 72]

Immigration helps offset recent population decline

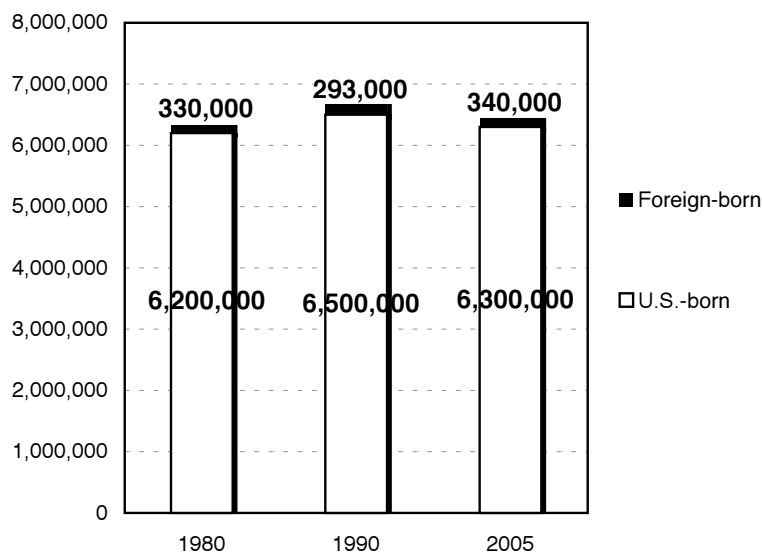


Figure 72.

Source: FPI analysis of Census microdata (1980, 1990) and 2005 ACS PUMS. Geographic coding on the 2000 census limits ability to distinguish upstate counties and parts of northern suburban counties, so 2000 data is not included.

The three most common countries of origin for immigrants to upstate New York are Canada, India, and Germany. Mexico, sometimes thought to be the main source of immigrants, is the fourth most common country of origin. Perhaps most striking is that no single country of origin dominates immigration—immigrants to upstate are quite a mixed group. [Figure 73]

Top countries of origin for immigrants in upstate New York

Countries from which there were more than 5,000 immigrants

	Number of immigrants	Share of all immigrants
Canada	25,100	7.5%
India	20,400	6.1%
Germany	19,500	5.8%
Mexico	18,800	5.6%
Italy	17,600	5.2%
China	15,100	4.5%
Korea	12,800	3.8%
Jamaica	10,900	3.2%
Poland	10,700	3.2%
Bosnia and Herzegovina	9,600	2.8%
Vietnam	8,600	2.6%
England	7,700	2.3%
Ukraine	7,000	2.1%
Russia	6,600	2.0%
Philippines	6,500	1.9%
Dominican Republic	5,700	1.7%
Ireland	5,300	1.6%
Total	337,200	

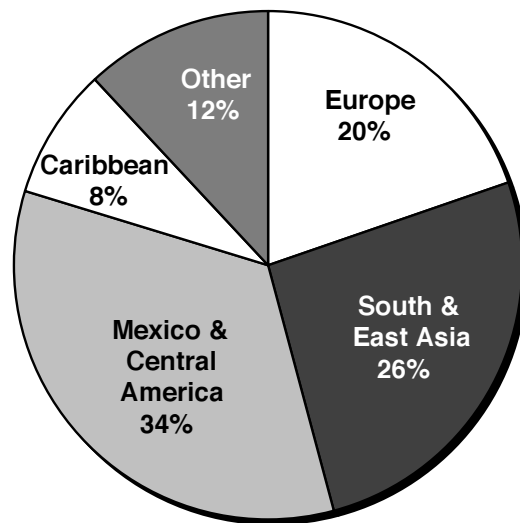
Figure 73.

Source: FPI analysis of 2005 ACS PUMS.

There are an estimated 45,000 undocumented immigrants in upstate New York, according to an analysis performed for this report by Jeffrey S. Passel. Undocumented immigrants come in about equal numbers from South and East Asia (26 percent) and Mexico (25 percent). Another 20 percent come from Europe, especially Eastern Europe, and a little less than ten percent each from Central America and the Caribbean. All of these figures are rough estimates based on the methodology developed by Passel and his colleagues at the Pew Hispanic Center and Urban Institute. [Figure 74]

In terms of racial and ethnic background, half of all foreign-born residents upstate are non-Hispanic whites (50 percent), about a quarter are Asian or Pacific Islanders (24 percent), about one in seven are Hispanic (15 percent), and about one in ten are non-Hispanic blacks (9 percent). [Figure 75]

Undocumented immigrants in upstate New York



Total undocumented in upstate New York: 45,000

Figure 74.

Source: Prepared for Working for a Better Life by Jeffrey S. Passel, Pew Hispanic Center, 2007. Average of estimates from March Supplements to the Current Population Survey for 2000-2006. Augmented with legal status assignments and adjusted for omissions. See Appendix A for methods and details. Middle East includes Asian countries west of and including Iran, south of and including Turkey plus Cyprus and North Africa. Rockland and Putnam counties included in upstate rather than downstate suburbs for this analysis.

Comparing immigrants to the upstate population as a whole, however, people of color are more prevalent among immigrants than among the U.S.-born population, which is overwhelmingly white. Blacks make up about the same portion of immigrants as of they do of the overall population, while Asians and Hispanics are a considerably bigger portion of immigrants than they are of the overall population. [Figure 76]

More than half of all immigrants (56 percent) in upstate New York have lived in the United States for more than 15 years, while about one in five (18 percent) arrived in the last five years. [Figure 77]

Population in upstate has been generally stagnant upstate over the past 25 years, a considerable source of economic concern. Richard Deitz of the Buffalo Federal Reserve Bank's Buffalo Branch points out that, looking at people with a college education, what distinguish-

Race and ethnicity among immigrants upstate

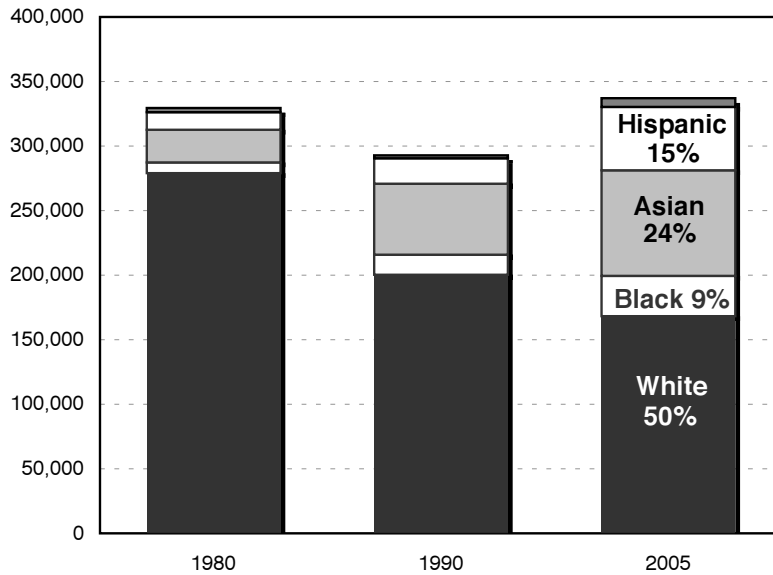


Figure 75.

Sources: FPI analysis of 1980 and 1990 Census, and 2005 ACS PUMS. Geographic coding on the 2000 census limits ability to identify parts of southern upstate counties, so 2000 data is excluded.

Overall racial and ethnic composition of upstate New York

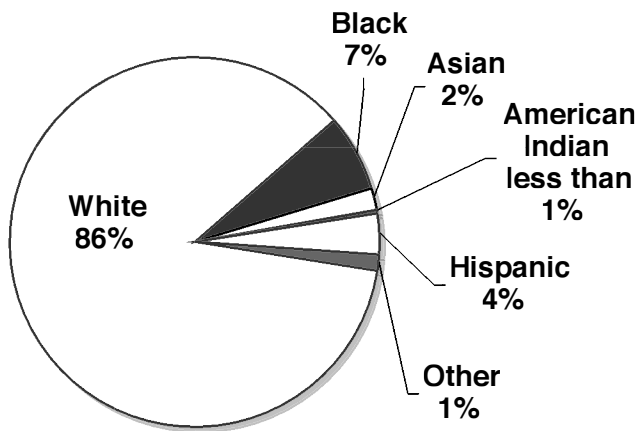


Figure 76.

Source: FPI analysis of 2005 ACS IPUMS.

How long have immigrants in upstate New York been in the United States?

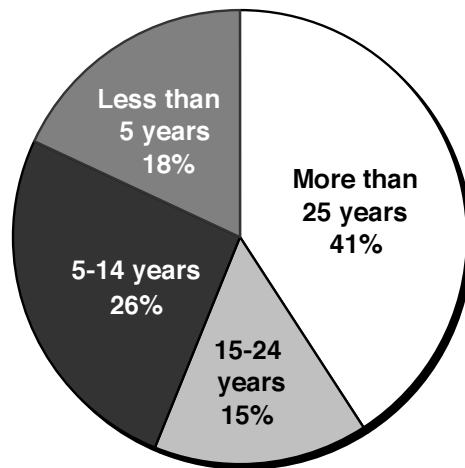


Figure 77.

Source: FPI analysis of 2005 ACS PUMS.

es upstate from much of the United States is not out-migration from the region, but the lack of in-migration.³⁹ Deitz also notes that, in the debate about whether jobs follow people or people follow jobs, the answer is “both.”

Immigrants strive to join the middle class

Immigrant families are doing about the same as U.S.-born families

Immigrants have a long history of working to join the American middle class. In upstate New York, immigrants seem to be achieving that goal. Immigrant families living in upstate New York seem to be doing on the whole about the same economically as native-born families. Median income is virtually identical for families with an immigrant adult and those made up of only U.S.-born adults. Similarly, the portion of people in the lower, middle, and higher family-income brackets is about the same for immigrant and native-born families.

[Figures 78]

Wages for immigrants tend to be a little lower than for U.S.-born workers in the upstate region—about a dollar an hour less for immigrants at each level of educational attainment.

[Figure 79]

In other regions of New York, immigrants tend to have more family members who work than do native-born New Yorkers. In the upstate region, immigrants and native-born families have about the same number of workers, due in large part to the fact that immigrant women

Immigrant income parallels U.S.-born in upstate New York

Family income distribution	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Lowest quintile cutoff	\$18,320 to \$21,680	\$19,358 to \$20,882	no
Second quintile cutoff	\$36,759 to \$43,576	\$38,761 to \$40,680	no
Third quintile cutoff	\$57,430 to \$68,570	\$61,965 to \$64,399	no
Fourth quintile cutoff	\$89,125 to \$112,737	\$91,513 to \$96,025	no
Median	\$47,698 to \$54,560	\$49,860 to \$52,191	no

Share of individuals in families with incomes	Foreign-born	U.S.-born	Significant difference
	90 percent confidence interval		
Under \$20,000	17.1% to 22.3%	19.0% to 20.6%	no
\$20,000 to \$39,999	17.1% to 22.6%	19.6% to 21.2%	no
\$40,000 to \$59,999	15.8% to 21.5%	16.4% to 18.0%	no
\$60,000 to \$79,999	11.6% to 16.9%	14.0% to 15.7%	no
\$80,000 and above	24.0% to 31.0%	26.8% to 28.7%	no

Figure 78.

Source: FPI analysis of Current Population Survey, ASEC (March supplements) covering years 2001-2005. Data is from a 5-year pool, with incomes in 2005 dollars (CPIU). Immigrant families are those in which any adult (18 or over) was foreign-born. Distribution weighted by family size. For example, 20 percent of native-born residents of upstate New York live in families with family income below the lowest quintile cutoff. Range shown is 90 percent confidence interval. Significant at 90 percent means there is less than a 10 percent chance that the values fall outside these ranges. Standard deviations derived by bootstrapping at 100 resamplings.

are less likely to be in the labor force. But working immigrants tend to work slightly longer hours per week—39.3, compared to 37.7, on average. [Figure 80]

In upstate New York, labor force participation among immigrant men is about the same as among US-born men. There is, however, a pronounced difference in labor force participation among women—61 percent for U.S.-born and 48 percent among immigrants. At least part of this difference is due to the comparatively high labor-force participation rates of native-born upstate women. Their counterparts in the downstate suburbs have a labor force participation rate of 58 percent, and in New York City the rate for U.S.-born women is 55 percent. [Figure 81]

Immigrants are business owners and entrepreneurs

There is no direct measure of immigrant business in upstate New York. The Economic Census does count Asian- and Hispanic-owned businesses, however, which provides some insight into the question of immigrant entrepreneurship.

Median wages in upstate New York

Educational attainment	Foreign-born	U.S.-born	Difference between the two	Share of foreign-born	Share of U.S.-born
Less than high school	\$9.70	\$10.67	10.0%	13%	5%
High school	\$12.52	\$13.80	10.2%	26%	35%
Some college	\$14.57	\$15.48	6.3%	21%	30%
College	\$22.69	\$23.70	4.5%	40%	29%
All	\$15.04	\$16.12	7.2%	100%	100%

Figure 79.

Source: FPI analysis of CPS outgoing rotation groups, 2001-2006.

Universe: those in labor force, age 25 and older, who reported education level. Medians of 6-year pools (in 2006 dollars, using CPI-U deflator).

Hours worked per week, upstate New York

	Foreign-born	U.S.-born
Average number of hours worked	39.3	37.7

Figure 80.

Source: FPI analysis of CPS March

Supplement data, 2001-2005. Non-zero answer to "usual hours of work per week."

Labor force participation in upstate New York

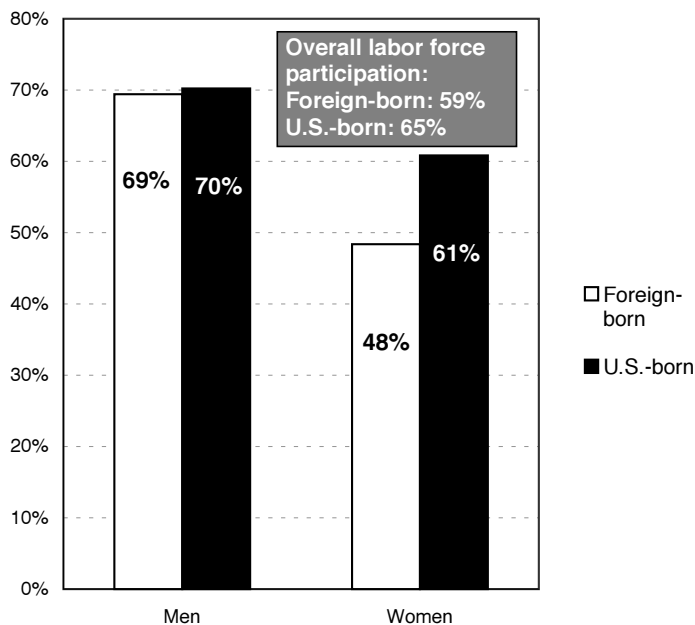


Figure 81.

Source: FPI analysis of 2005 ACS PUMS. Universe is all 16 and older.

Growth in Hispanic- and Asian-owned firms in upstate New York

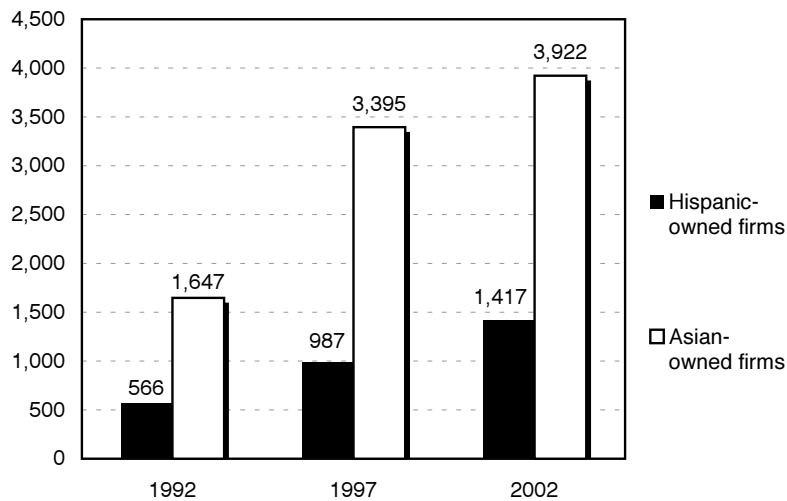


Figure 82.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

Between 1992 and 2002, the growth in the number of upstate Asian- and Hispanic-owned firms is dramatic, growing in both cases by well more than double. [Figure 82]

The number of employees in Asian- and Hispanic-owned firms has also been growing rapidly. Over the same ten years, the number of employees at Hispanic-owned firms more than doubled, and the number of employees at Asian-owned firms more than quadrupled. [Figure 83]

Immigrants and labor unions

Joining unions is a way to prevent workers from being pitted against each other in the workplace. When immigrants and U.S.-born workers are union members, their wages tend to rise together.

Joining a union has significant benefits for immigrants, and has historically been important as a step up to the middle class. On average, immigrants gain about \$4 per hour by being in a union, and native-born workers gain over \$5/hour. Unions are one important factor in making sure wages have a solid floor. [Figure 84]

In the upstate economy, 18 percent of immigrant workers are union members. That rate is lower than the rate at which U.S.-born residents of upstate join unions (26 percent), but

Employees of Asian- and Hispanic-owned firms

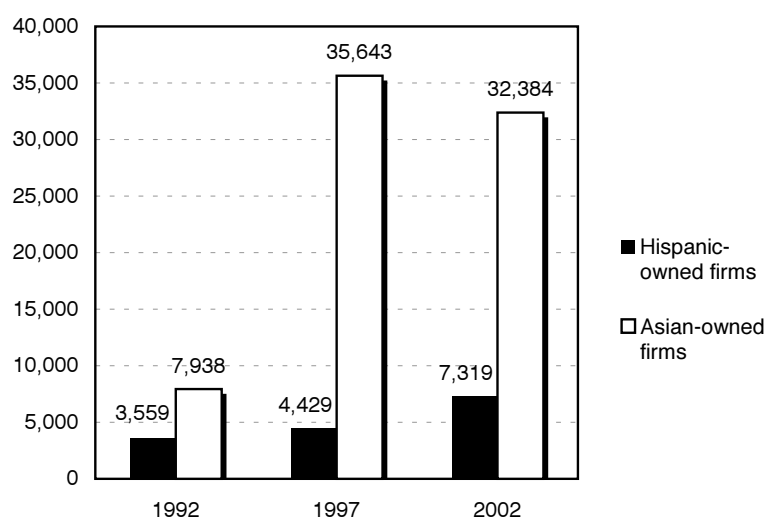


Figure 83.

Source: FPI analysis of 1992, 1997, and 2002 Economic Census (2002 data released August 2006). Analysis is of firms with employees, and excludes firms without employees.

Wages and unionization in upstate New York

Median wage	Foreign-born	U.S.-born
Union-represented	\$17.37	\$18.62
Not union-represented	\$13.00	\$13.09

Figure 84.

Source: FPI analysis of CPS data, 2001-2006; data points are medians of 6-year pool. Universe is those in the labor force or reporting a wage. In 2006 dollars, using CPI-U deflator.

higher than the unionization rate for the United States as a whole, where 13 percent of workers are union members and 14 percent are covered by union contracts. [Figure 85]

Unions are important to immigrants and immigrants are also important to unions. Upstate, there are 30,000 immigrants who are union members. Immigrants make up four percent of all union members—just below their representation in the overall population. [Figure 86]

Immigrant education levels

Immigrants upstate are overrepresented at the two ends of the educational spectrum, and underrepresented in the middle. Immigrants are nearly twice as likely to have an advanced

Immigrants upstate join unions

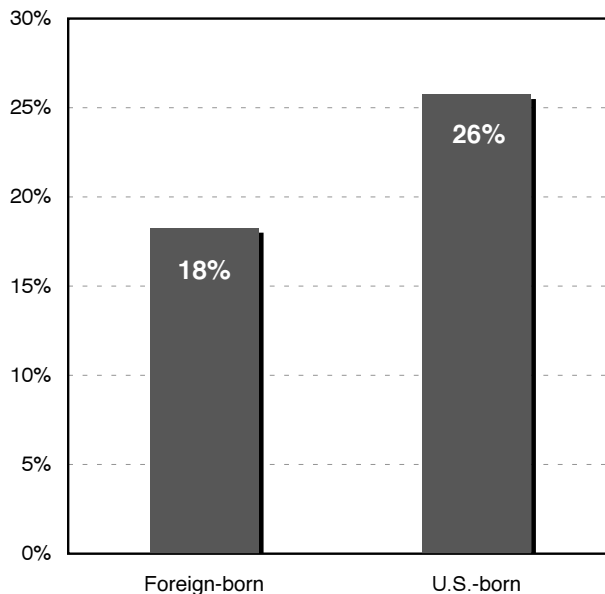


Figure 85.

Source: FPI analysis of CPS data 2001-2006.

Immigrant unionization

Number of immigrants who are members of a union	Share of union members who are immigrants
30,200	4%

Figure 86.

Source: FPI analysis of CPS data 2003-2006. Medians of 4-year pools.

degree as U.S.-born residents. At the same time, immigrants are also much more likely than U.S.-born residents to have less than an eighth-grade education. [Figure 87]

In a trend that differs significantly from the downstate suburbs and New York City, the portion of immigrants in upstate with at least some college has been consistently high for decades. That share has increased over the past 25 years, from 57 to 63 percent of all immigrants. But what really stands out over that time period is that U.S.-born residents are catching up—in 1980, 31 percent had at least some college education, compared to 55 percent in 2005. [Figure 88]

Immigrants and home ownership

Owning a home is an important part of joining the middle class, and in upstate New York,

Education level of immigrants in upstate New York

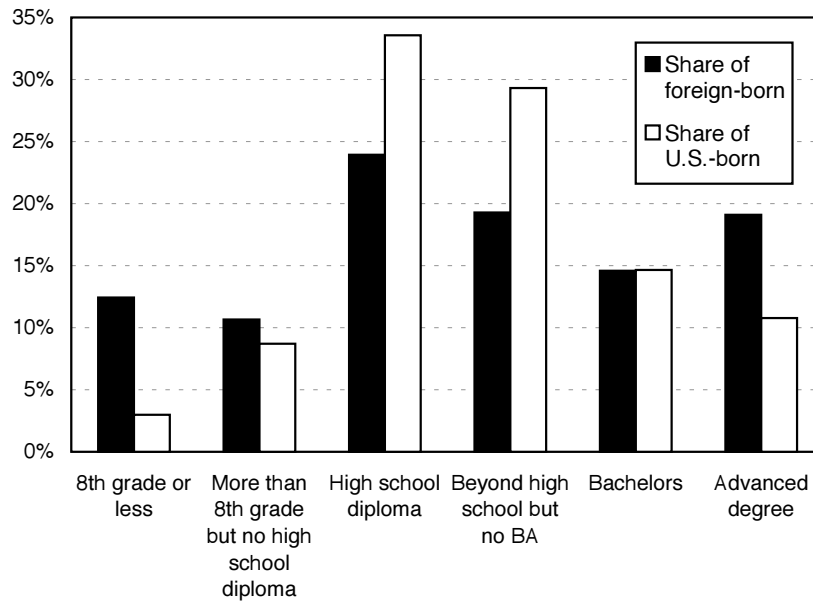


Figure 87.

Source: Fiscal Policy Institute Analysis of 2005 ACS PUMS. Universe is residents of upstate New York 25 years of age and older.

nearly three quarters of native-born residents live in owner-occupied homes, while about a quarter live in rental houses or apartments.

Among immigrants, the rate of home ownership is somewhat lower, but about two thirds live in their own homes, while about one third live in rental homes. [Figure 89]

Immigrants gradually become Americans

Immigrants learn English over time, and it helps

One of the most important ways that immigrants can integrate into communities and join the middle class is through improving their English skills. At every educational level, immigrants make a big jump in annual earnings when they advance from speaking English “well, not well, or not at all” to speaking English “very well.” [Figure 90]

Interestingly, in the upstate region, as in New York City, there is not much difference in earnings between immigrants who speak English “very well” and those who speak only English. (In the downstate suburbs, immigrants speaking only English earn considerably more even than those who speak English “very well.”)

For immigrants with more than a high school education, there is a difference of \$16,000 per

Recent immigrants are more likely to be well educated, but U.S.-born are catching up

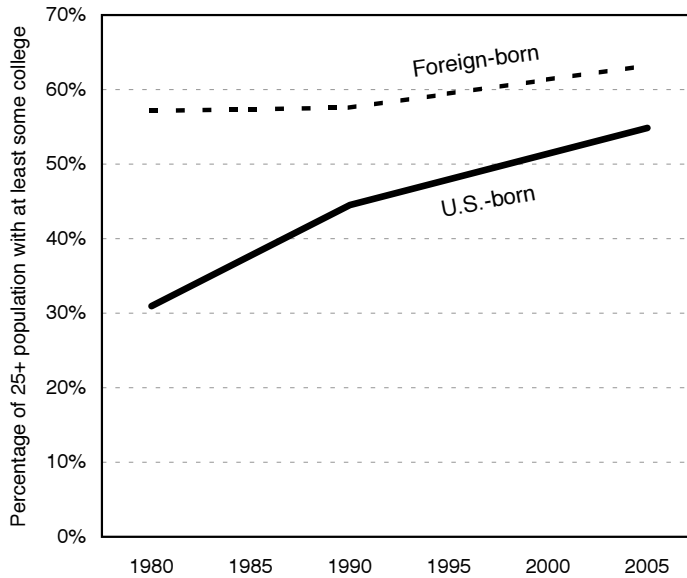


Figure 88.

Source: FPI analysis of Census 1980, 1990, and 2005 ACS IPUMS. Census 2000 is not used because coding does not allow a consistent delineation of some downstate counties. Data for 1985, 1995, and 2000 are interpolated for chart. Universe: Immigrants who were 25 or older as of year of original immigration, and who immigrated during the decade immediately preceding the census. For 2005 ACS, those who immigrated since 2000.

Immigrants own homes

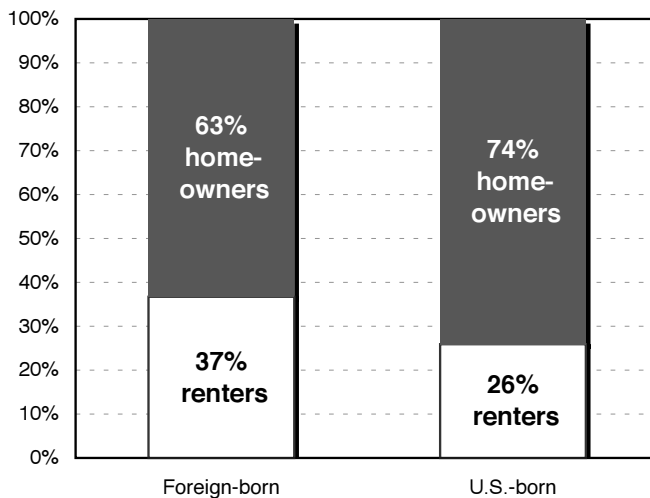


Figure 89.

Source: 2005 ACS (American FactFinder), tables B06013. Numbers and shares refer to total people living in households.

English makes a difference

Annual wage and salary income for immigrants upstate

High school completion or less		Median
Speak only English at home		\$22,500
Speak another language at home, but speak English very well		\$23,000
Speak another language at home and speak English well, not well, or not at all		\$16,000
More than high school		Median
Speak only English at home		\$40,000
Speak another language at home, but speak English very well		\$40,000
Speak another language at home and speak English well, not well, or not at all		\$24,000

Figure 90.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrant New York residents age 25 and older who reported positive wage and salary earnings for 2005.

year in annual wage and salary earnings between speaking English “well, not well, or not at all,” and those speaking “very well, or only English.”

The strong correlation between English ability and earnings is encouraging, since there are clear policy actions that can be undertaken to encourage immigrants to learn English and support their ability to do so.

Of immigrants living in upstate today, 34 percent speak only English at home, and another 35 percent speak English very well. Fifteen percent speak English not well or not at all. [Figure 91]

While there is more government, businesses, and civic organizations could do to help, immigrants today already are being integrated into American society, as were generations of immigrants before them.

Over time, more immigrants speak only English at home, more speak well, and more speak very well—and, of course, fewer speak not well or not at all.

Of immigrants who have been in the United States for 10 years or more, 42 percent speak only English at home, and 35 percent speak English very well. A total of 91 percent of immigrants who have been in the United States ten years or more speak English at least well. [Figure 92]

How well do immigrants in upstate New York speak English?

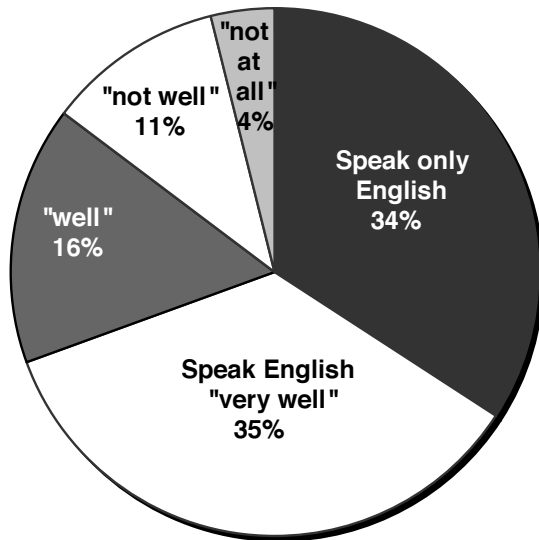


Figure 91.

Source: FPI analysis of 2005 ACS PUMS. Universe: those 5 years of age and older.

Immigrants in upstate improve their English skills over time

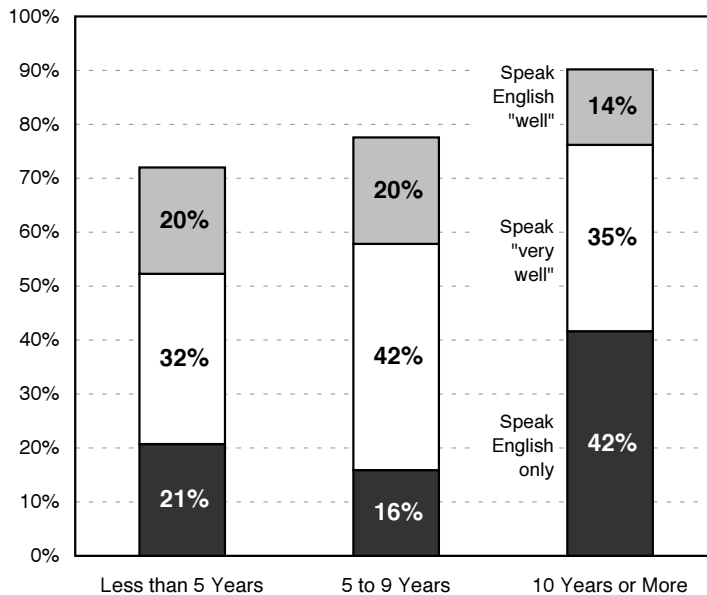


Figure 92.

Source: FPI analysis of 2005 ACS PUMS. Universe: Immigrants 5 years of age and older.

Immigrants raise American families

About one out of every 12 children in upstate New York is being raised in a family where at least one adult is an immigrant. There are 121,000 children living in immigrant families in upstate New York [Figure 93]—comprising about eight percent of all children living in the upstate region. The great majority of children living in immigrant families were born in the United States, and are thus U.S. citizens.

It is worth noting that this report defines “immigrant families” as families with at least one immigrant over 18 years old. Looking just at immigrant families where the head of household is an immigrant, the percentage of children in each age group is reduced by about 20 percent, and the number of kids living in immigrant families with a head of household who is an immigrant is 6 percent. [Figure 94]

Immigrants become citizens

Over half of all the foreign-born residents of upstate New York are U.S. citizens, and immigrants who stay are highly likely to become citizens. In the upstate region, 81 percent of immigrants who have lived here for over 24 years are now U.S. citizens. [Figure 95]

Children being raised in immigrant families in upstate New York

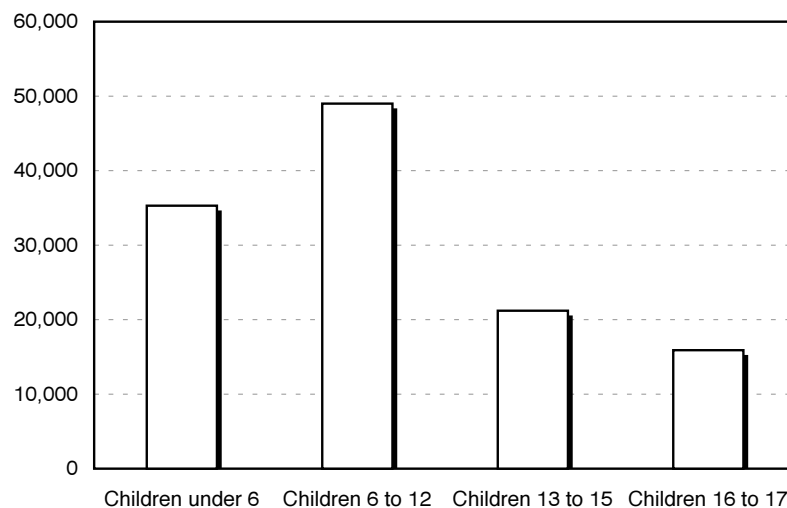


Figure 93.

Source: FPI analysis of 2005 ACS PUMS. Immigrant families are families with at least one immigrant over 18 years old.

Children growing up in immigrant families

All children in upstate New York	1.5 million
Children living in immigrant families	121,400
Born in the U.S.	97,700
Foreign-born	23,700
Percent of children living in immigrant families who were born in the U.S.	80%
Percent of all children in upstate New York who live in immigrant families	8%

Figure 94.

Source: FPI analysis of 2005 ACS PUMS. Children are all under 18 years of age. Immigrant families are families with one foreign-born adult family member.

Immigrants become citizens over time

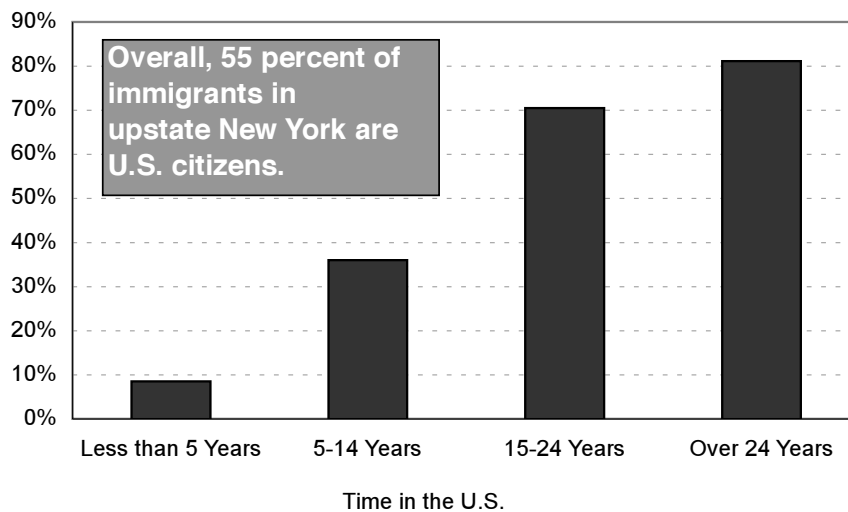


Figure 95.

Source: FPI analysis of 2005 ACS PUMS. Note that the data reflect only those immigrants still alive as of 2005, and who currently live in the downstate suburbs.

Chapter 5

Immigrants Pay Taxes and Use Services Like Other New Yorkers

What taxes do undocumented immigrants pay?

Payroll taxes. Many undocumented workers have payroll taxes—Social Security and Medicare—withheld by their employers, even though undocumented workers will not receive any benefits from these programs. Indeed, in 2003, the government collected an estimated \$7 billion in Social Security taxes, or approximately one percent of overall revenue, from 7.5 million workers and their employers in which the Social Security numbers did not match the taxpayer identification number. The IRS assumes that most of these mismatches are the result of tax filings by undocumented workers. This dollar amount has more than tripled in the last decade.⁴⁰

Sales tax. Undocumented immigrants pay sales tax when they shop, just like all New Yorkers.

Property tax. Whether they rent or own homes, undocumented immigrants pay property tax. Homeowners pay the tax directly, but renters pay property taxes indirectly, since landlords set rents at rates that allow them to pay taxes on their rental units.

Do immigrants pay taxes?

It is a common misperception that immigrants don't pay their fair share of taxes. The truth is, most immigrants pay the same taxes as native-born New Yorkers.

The most thorough study done of New York, published in 1998 using tax year 1994, looked at seven major taxes paid by individuals and households—federal income tax, New York State income tax, New York City income tax, FICA (Social Security and Medicare tax), residential property tax, state and local sales tax, and unemployment insurance. The study found that immigrants made up 18 percent of the state population at that time, and paid 16 percent of taxes, or \$19 billion. In New York City, immigrants made up 34 percent of the population and paid 30 percent of taxes, while in the balance of the state they made up eight percent of the population and paid nine percent of taxes.⁴¹

Documented immigrants, who make up the vast majority of the foreign-born population, paid all the same taxes as native-born residents. But undocumented immigrants paid taxes as well. Undocumented immigrants in 1994 made up 2.5 percent of the population, and paid one percent of the taxes—a total of \$1 billion—on incomes that were substantially lower than the population as a whole.

Income tax. Income tax is the significant tax undocumented immigrants sometimes may not pay, since they are not authorized to be earning money in the United States. In recent years, however, there has been an increasing trend toward undocumented immigrants filing tax returns using what are known as Individual Taxpayer Identification Numbers (ITINs).

Nationally, the IRS has estimated that of the approximately 130 million individual income tax returns filed each year, about six million are filed by undocumented workers.⁴²

In New York, the use of ITINs doubled between 2000 and 2003, from 44,000 to 91,000, according to an unpublished 2006 report compiled from Internal Revenue Service data by the Neighborhood Economic Development Advocacy Project (NEDAP).

Of course, undocumented immigrants are not eligible for the Earned Income Tax Credit. Most undocumented immigrants work in low-wage occupations, and probably earn incomes that would allow them to qualify for the Earned Income Tax Credit if they were U.S. citizens. Bernard Wasow, a researcher for the Century Foundation, thus notes the irony that if undocumented immigrants were required to pay taxes as if they were citizens, they would most likely wind up receiving money from the U.S. Treasury rather than paying money to it.⁴³

What services are available to immigrants?

There is little reliable data about immigrant use of specific public services in New York. There is, however, information on service eligibility. Like other New Yorkers, immigrants rely on fire protection, drive on public roads, and send their children to school. Also like other New Yorkers, immigrants work as firefighters, pay taxes to support road construction, and have kids who grow up to contribute to the economy.

In relation to some services there is a distinct difference between documented and undocumented immigrants, and in some cases a difference between families recently arrived in the United States and those that have been here longer. In addition, as a result of the Personal Responsibility and Reconciliation Act of 1996 (Welfare Reform), immigrants were barred from accessing most federally funded public benefits for the first five years under which they have legal permanent resident status, though states can opt to cover those barred from federal funding with state-only funds. These federal restrictions do not apply to refugees and asylees.

Temporary Aid for Needy Families (TANF). Federal regulations restrict even documented immigrants from receiving TANF funds for the first five years in which they are in the U.S. However, New York State compensates for this restrictive federal policy by allowing immigrants to apply for state- and locally-financed safety net support, recognizing the benefit of helping low-income immigrant families succeed in the United States. Undocumented immigrants are never eligible for TANF or safety net funds.

Medicaid. In 2001, the NY Court of Appeals ruled that New York must provide access to state-funded Medicaid and Family Health Plus to all immigrants “permanently residing under color of law.” This includes those barred from federally funded Medicaid within their first five years as lawful permanent residence. All New York children, regardless of immi-

gration status, may participate in the Child Health Plus program. In addition, Prenatal Care Assistance Program, the Family Planning Extension Plan, and the Aids Drug Assistance Program are available to New York residents regardless of immigration status.

Emergency medical care. Anyone who has a medical emergency can walk into an emergency room and be treated, without regard to ability to pay. This applies to everyone—immigrants, undocumented immigrants, native-born residents, or visitors to the United States. Emergency Medicaid is a federally funded program that is available to cover the costs of emergency services for undocumented immigrants and those in their first five years as lawful permanent residents.

Food Stamps. Adult immigrants who are legally in the U.S. are prohibited for the first five years from getting Food Stamps by the federal government, and no state program compensates for this restriction. The federal restriction does not apply to children of immigrants. Undocumented immigrants, on the other hand, are never eligible to receive Food Stamps.

Public schools. The U.S. Supreme Court has ruled that all children living in a school district may attend public schools, including the children of undocumented immigrants. It is worth noting that the great majority of children of undocumented immigrants are born in the U.S., and are therefore U.S. citizens. Perhaps even more compelling grounds for educating all children living in a district, however, is the argument of Supreme Court Justice William Brennan. In the Supreme Court case striking down a Texas law that excluded undocumented immigrants from attending public schools, Justice Brennan wrote: “It is difficult to understand precisely what the State hopes to achieve by promoting the creation and perpetuation of a subclass of illiterates within our boundaries, surely adding to the problems and costs of unemployment, welfare, and crime.”⁴⁴

The fiscal balance: Do taxes pay for services?

Immigrants pay taxes and use services, like other New Yorkers. But do the taxes paid by immigrants cover the cost of the services they use?

No one has taken a comprehensive look at the overall fiscal balance of immigrants in New York State.⁴⁵

However, a recent study prepared for the Horace Hagedorn Foundation looked at the fiscal balance of Hispanics in Long Island, and found a positive fiscal impact. Not all Hispanics are immigrants, and not all immigrants are Hispanic. It is nonetheless interesting that the report concludes—using an input-output program that models earnings, expenses, remittances, service use, and taxes paid—that Hispanics living on Long Island produce a positive budget balance of \$202 million, or \$614 per person per year.⁴⁶

Another study looking at fiscal balance considered refugees in the Mohawk Valley. This report also uses an input-output model and makes estimates based on a set of assumptions. The report's conclusion is that with a typical flow of about 750 refugees per year to the Mohawk Valley, the fiscal balance is positive after 15 years. "This study finds the resettlement of refugees in Utica to be similar to any major investment," writes the author of the study, Professor Paul Hagstrom of Hamilton College. "Refugees are a net cost in the early years and then yield benefits for many years to come."⁴⁷

The most controversial question about fiscal balance is related not to Hispanics or to refugees, but to undocumented immigrants.

The most comprehensive research done on the fiscal impact of undocumented immigrants was published in a 2006 study of undocumented immigrants in Texas, undertaken by Texas State Comptroller Carole Keeton Strayhorn, a Republican who later ran for governor as an independent. The comptroller's report reviewed in extensive detail the costs and taxes associated with undocumented immigrants. The report concluded that undocumented immigrants generated \$1.58 billion in state revenues, and received \$1.16 billion in state services. Strayhorn noted that local governments paid \$1.44 billion in expenses not paid for by the state, though she did not calculate tax revenues to localities. Her report also found "the absence of the estimated 1.4 million undocumented immigrants in Texas in fiscal 2005 would have been a loss to our gross state product of \$17.7 billion."⁴⁸

In New York, where the tax structure is different than in Texas, it is possible that undocumented immigrants may pay less in taxes than they get from the government. That is probably true for all low-wage earners, and it's as it should be. The principle of progressive taxation is that people pay what they can afford; the wealthy pay more and the poor pay less.

Undocumented immigrants probably pay more in taxes than people making similar incomes who are legal immigrants or native-born Americans. Low-income families generally get back money from their federal income tax returns, because of the Earned Income Tax Credit. Undocumented immigrants are not eligible for this tax credit.

In the end, calculating the cost of services and taxes paid on an individual basis may not be a very helpful way of thinking about taxes and services. For one thing, it is difficult to apportion the use of services to any particular person or group. In addition, we pay the most taxes (and earn the most income) during our working years, and use the most services as children and retirees. And, schools and medical care are both investments in our future; any real attempt to weigh the costs of services against tax income probably ought to include the results of those investments in the next generation. In general, it seems more reasonable to compare what immigrants pay or use in relation to native-born Americans in similar circumstances, rather than to calculate a fiscal balance for any one particular group in the population.

Endnotes

¹ For a review of the changes in immigration policy in the 1920s, see Aristide R. Zolberg, *A Nation by Design: Immigration Policy in the Fashioning of America* (Cambridge, Mass.: Harvard University Press, 2006).

² Throughout this report, we accept the New York City Department of City Planning's revised estimate of the total population of New York City, and the portion of immigrants. This revision also has been accepted by the Census Bureau.

³ See, for instance, Robert Rector and Christine Kim, "The Fiscal Cost of Low-Skill Immigrants to the U.S. Taxpayer" (Washington, D.C., Heritage Foundation Special Report, May 21, 2007); Patricia Cortes, "The Effect of Low-Skilled Immigration on U.S. Prices: Evidence from CPI Data," January 2006, available from Social Science Research Network; Maria E. Enchautegui, "Low-Skilled Immigrants in the Changing Labor Market" (Washington, D.C.: Urban Institute, 1997). Steven Camarota, "The Wages of Immigration, The Effect on the Low-Skilled Labor Market" (Washington, D.C., Center for Immigration Studies, January 1998).

⁴ New York State has a significant number of commuters in both directions—people who live in New York City and work in other states, and people who live in other states but whose place of work is in New York. Except where otherwise specified, this report concentrates on the resident workforce, in other words the people who live in a region, no matter where they work. The immigrant share of the people who work in New York State (commuters and residents who work in New York) is 26 percent—the same as the immigrant share of the resident workforce. Thirty-two percent of commuters to New York are immigrants, as are 32 percent of people who live in New York but work in other states. For further detail on commuters, see Chapter 2.

⁵ Fiscal Policy Institute has extensively documented wage and income inequality in New York. The wage/productivity gap is documented in *The State of Working New York 2007*. The gap between rich and poor is studied in *Pulling Apart in New York: An Analysis of Income Trends in New York State*, January 26, 2006.

⁶ For a report on the extent of employer violation of labor laws, see Annette Bernhardt, Siobhán McGrath, and James DeFilippis, *Unregulated Work in the Global City: Employment and Labor Law Violations in New York City* (New York: The Brennan Center for Justice at New York University School of Law, 2007). Fiscal Policy Institute has analyzed employer violations of labor law in the workers' compensation system and affordable housing development. See: "New York State Workers' Compensation: How Big Is the Coverage Shortfall?," February 5, 2007, and "The Underground Economy in NYC's Affordable Housing Construction Industry," April 17, 2007.

⁷ The dynamism and productivity of the New York State economy are documented in *The State of Working New York, 2007*. The Spitzer administration's commitment to enforcing labor standards is evidenced by the such actions as the governor's executive order to prevent misclassification of workers (September 7, 2007).

⁸ Karina Fortuny, Randy Capps, and Jeffrey S. Passel, "The Characteristics of Unauthorized Immigrants in California, Los Angeles County, and the United States" (Washington, D.C.: The Urban Institute, March 2007), p. 34. In general, undocumented immigrants are included as precisely as possible throughout this report. The census is widely seen to have done a good job in 2000 at counting U.S. residents, although it is broadly assumed that undocumented immigrants were undercounted. More recent data, such as the 2005 American Community Survey, build on the 2000 census. In addition, in New York City, which is notoriously complex to count, the Population division of the Department of City Planning invests considerable time and effort in helping to ensure that the census count is complete. While the census includes many (perhaps most) undocumented immigrants, it cannot identify in the data which respondents are undocumented. And, although many undocumented residents are counted in the census, clearly many are missed even in the best census counts.

⁹ Doris Meissner quoted in Kari Lydersen, "Governor to Announce New Benefits for Immigrants," *Washington Post*, December 13, 2006.

¹⁰ See, for instance, the summary and analysis of the economic literature in "Immigration's Economic Impact," Executive Office of the President, Council of Economic Advisers, June 20, 2007.

¹¹ For Card's work, see David Card, "Is the New Immigration Really So Bad?," NBER Working Paper, January 2005. Peri sums up his research in Giovanni Peri, "America's Stake in Immigration: Why Almost Everybody Wins," *The Milken Institute Review*, Third Quarter, 2007, p. 45.

¹² Borjas makes this argument in more popularly accessible format—showing over 15 years a five percent decline in wages for native-born workers with less than high school degrees—in *Heaven's Door: Immigration Policy and the American Economy*, (Princeton, N.J.: Princeton University Press, 1999). He explores it in a more academic manner in George Borjas, "The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market," *The Quarterly Journal of Economics*, November 2003.

¹³ Richard Deitz, "A Brain Drain or an Insufficient Brain Gain?," *Upstate New York At-A-Glance*, Federal Reserve Bank of New York, Buffalo Branch, August 2007.

¹⁴ George J. Borgas, Jeffrey Grogger, and Gordon H. Hanson, "Immigration and African-American Employment

Opportunities,” National Bureau of Economic Research Working Paper 12518, September 2006. Roger Waldinger, “Black/Immigrant Competition Re-Assessed: New Evidence from Los Angeles,” *Sociological Perspectives*, Volume 40, Number 3, 1997. Mark Levitan, “Out of School, Out of Work, Out of Luck? Black Male Youth Joblessness in New York City,” forthcoming in *Young Workers in the Global Economy: Job Issues in North America, Europe, and Japan*. Gregory DeFreitas Editor, Edward Elgar Publishing Inc., 2007. Polling results were pointed out by Alan Jenkins, executive director of the Opportunity Agenda, and are available in “Immigrant Integration in the Public Discourse,” a Media Content and Opinion Analysis report prepared for the Opportunity Agenda. The poll cited was conducted by the Pew Research Center in April and May 2006.

¹⁵ Executive Office of the President, “Immigration’s Economic Impact,” and Robert D. Atkinson and Daniel K. Correa, “2007 State New Economy Index: Benchmarking Economic Transformation in the States” (Washington, D.C.: the National Governors Association and the Information Technology and Innovation Foundation, 2007).

¹⁶ According to the Human Resources Departments at the United Nations, the United Nations Secretariat had 5,845 employees (as of December 2006), the United Nations Development Program had another 975 active staff on payroll (as of December 2006), UNICEF had 849 employees (as of September 2007), and the United Nations Population Fund had 344 employees (as of September 2007).

¹⁷ “Behind the Kitchen Door: Pervasive Inequality in New York City’s Thriving Restaurant Industry,” Restaurant Opportunities Center of New York and New York City Restaurant Industry Coalition, January 25, 2005.

¹⁸ Abel Valenzuela, Jr., and Edwin Meléndez, “Day Labor in New York: Findings from the NYDL Survey,” April 11, 2003. See methodology section for detail on the study.

¹⁹ See Bernhardt, McGrath and DeFilippis, *Unregulated Work in the Global City: Employment and Labor Law Violations in New York City; The Underground Economy in NYC’s Affordable Housing Construction Industry*; and Brian Kates, “Danger & Ripoffs Are on the Rise: How Hot Construction Biz Brings a Black Market, Scams & Death,” *New York Daily News*, May 27, 2007.

²⁰ Immanuel Ness, *Immigrants, Unions, and the New U.S. Labor Market* (Philadelphia: Temple University Press, 2005).

²¹ See, for example, a classic study of recent New York political history, John Hull Mollenkopf, *Phoenix in the Ashes: The Rise and Fall of the Koch Coalition in New York City Politics* (Princeton, N.J.: Princeton University Press, 1994).

²² Peter Kwong and Dusanka Miscevic, *Chinese America* (New York: The New Press, 2005), pp. 316-317.

²³ This estimate is based on the seven-year pool of data, from 2000-2006, which was used to get a large enough sample size to be of significance in the regions of the state. Although not very different, these data are not strictly comparable to the two-year pool (2003 and 2004) referred to in Chapter 1, which were used to make state-to-state comparisons. The statewide portion of immigrants who are undocumented using the seven-year pool is 17 percent, compared to 16 percent using the two-year pool.

²⁴ Mayor Michael Bloomberg, PlaNYC 2030 speech, December 12, 2006.

²⁵ James Orr and Giorgio Topa, “Challenges Facing the New York Metropolitan Area Economy,” *Current Issues in Economics and Finance, Second District Highlights* (New York: Federal Reserve Bank of New York, January 2006.)

²⁶ Alan Greenspan, testifying to the Senate in 2000, when he was chair of the Federal Reserve Board. Cited in Michele Wucker, *Lockout* (New York: Public Affairs Books, 2006), p. 9.

²⁷ *A World of Opportunity* (New York: Center for an Urban Future, February, 2007), pp. 11-12.

²⁸ In “right to work” states, where workers can choose to avoid union dues while still being covered by a union contract, the number of union members and workers covered by a union contract can diverge. In New York, there is no significant difference between the number of union members and the number of people covered by a union contract. Rates for U.S. unionization and coverage by union contracts were calculated by FPI from Bureau of Labor Statistics microdata, 2001-2006, the same time period as the calculations for New York City.

²⁹ Rae Rosen, Susan Wieler, and Joseph Pereira, “New York City Immigrants: The 1990s Wave,” in *Current Issues in Economics and Finance, Second District Highlights* (New York: Federal Reserve Bank of New York, June 2005.)

³⁰ A more extensive look at the different types of immigrant families—differentiating families with single parents, two native-born parents, two foreign-born parents, one native- and one foreign-born parent—is found in John Mollenkopf, “Trajectories for the Immigrant Second Generation in New York City,” Federal Reserve Bank of New York Economic Policy Review, December 2005.

³¹ Abel Valenzuela, Jr., and Edwin Meléndez, *Day Labor in New York: Findings from the NYDL Survey*, a report based on research funded by a grant from the Ford Foundation, April 2003.

³² Max Pfeffer has conducted extensive research on the farm economy and rural communities of New York. A great deal is available on the web site of the Rural New York Initiative, <http://rnyi.cornell.edu>. Estimates of the number of farm workers in the downstate suburbs were calculated by Professor Pfeffer, at FPI’s request, for this report. Pfeffer’s findings are broadly consistent with the recent study of Hudson River farm workers, which found 71 percent of farm workers in the Hudson

Valley to be undocumented and 21 percent to be guest workers. See Margaret Gray, with Emma Kreyche, *The Hudson Valley Farmworker Report*, (Annandale-on-Hudson, New York: Bard College Migrant Labor Project in association with Adelphi University, 2007).

³³ Mariano Torras and Curtis Skinner, *The Economic Impact of the Hispanic Population on Long Island, New York*, a research report prepared for the Horace Hagedorn Foundation, 2007, p.20.

³⁴ Regarding the advantages to U.S.-born workers of immigrant complementarity, see Giovanni Peri, “America’s Stake in Immigration,” p. 43, or George Borjas, *Heaven’s Door*, p. 19.

³⁵ A recent study by the Federal Reserve Bank of New York also notes that immigrants upstate are more likely than U.S.-born workers to be highly educated and in high-skill occupations. See James Orr, Susan Wieler, and Joseph Pereira, “The Foreign-Born Population in Upstate New York,” Second District Highlights, Volume 13, Number 9, October 2007, Federal Reserve Bank of New York.

³⁶ Rolf Pendall, Matthew P. Drennan, and Susan Christopherson, “Transition and Renewal: The Emergence of a Diverse Upstate Economy,” *Center on Urban and Metropolitan Policy Survey Series*, The Brookings Institution, January 2004.

³⁷ Margaret Gray with Emma Kreyche, “The Hudson Valley Farmworker Report,” Bard College Migrant Labor Project, 2007, page 7.

³⁸ Max Pfeffer, calculated at FPI’s request for this report.

³⁹ Richard Deitz, “A Brain Drain or an Insufficient Brain Gain?,” *Upstate New York At-A-Glance*, published by the Federal Reserve Bank of New York, Buffalo Branch, August 2007.

⁴⁰ Francine J. Lipman, “The Taxation of Undocumented Immigrants: Separate, Unequal and Without Representation,” *Harvard Latino Law Review*, Volume 9, Spring 2006, p. 24.

⁴¹ Jeffrey S. Passel and Rebecca L. Clark, “Immigrants in New York: Their Legal Status, Incomes, and Taxes,” (Washington, D.C.: The Urban Institute, 1998).

⁴² Ibid.

⁴³ Bernard Wasow, “Illegal Immigrants, Our Low-Income Taxpayers,” The Century Foundation. May 26, 2006.

⁴⁴ Barbara Belejack, “A Lesson in Equal Protection: The Texas Cases that Opened the Schoolhouse Door to Undocumented Immigrant Children,” *Texas Observer*, July 13, 2007.

⁴⁵ In 2006, the Federation for American Immigration Reform (FAIR), a well-known nonpartisan group that favors tightening immigration to the U.S., put out a report that claimed “the illegal alien population residing in New York [costs] the state’s taxpayers more than \$5.1 billion per year for education, medical care and incarceration.” FAIR claims sales, income and property tax collected from undocumented workers amounts to just \$730 million, a fraction of the \$5.1 billion cost. While there does not seem to be a direct response to the New York report, two other states, Texas and Colorado, recently responded to very similar reports and found that their estimates were grossly misstated. Jack Martin, “The Costs of Illegal Immigration to New York,” a report by the Federation for American Immigration Reform, September 2006. The critique of FAIR’s calculations was performed by the State Comptroller, a Republican, and is the most thoroughgoing analysis of this question in any state. See “Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy,” a report by the Texas State Comptroller, December 2006. The Colorado critique was carried out by the Bell Policy Center. See Rich Jones and Robin Baker, “Costs of Federally Mandated Services to Undocumented Immigrants in Colorado,” Bell Policy Center, Issue Brief Number 4, June 30, 2006.

⁴⁶ Mariano Torras, Adelphi University, and Curtis Skinner, Pelliparius Consulting, “The Economic Impact of the Hispanic Population on Long Island: A Research Report Prepared for the Horace Hagedorn Foundation,” 2007.

⁴⁷ Paul Hagstrom, “The Fiscal Impact of Refugee Resettlement in the Mohawk Valley,” Hamilton College, June 2000.

⁴⁸ “Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy,” a report by the Texas State Comptroller, December 2006.

Appendix A

Note on sources

In general, this report relies on the American Community Survey, which provides the largest sample size for non-Census years. In some instances, the most recent available data was from the 2000 Census. For wages, income, unionization rates, and some other information, the only source or the best source was the Current Population Survey (CPS) and its March supplement. In order to get a large enough sample size, it was sometimes necessary to pool multiple years of data from the CPS.

Methodology for estimates of undocumented immigrants

Jeffrey S. Passel is widely acknowledged to have developed with his colleagues at the Urban Institute and the Pew Hispanic Center the most credible method for estimating the number of undocumented. *Working for a Better Life* includes a series of previously unpublished calculations that Passel made specifically for this report, including estimates of the number, occupations, and country of origin of undocumented immigrants in New York and its regions. The methodology starts with the number of immigrants counted in the CPS, and adjusts for a presumed undercount of immigrants, and then subtracts those who are authorized to be in the United States from the total number. The remainder is the unauthorized or undocumented population.

Although there is inevitably a significant margin of error in estimates of undocumented residents, some sound assumptions can be made about who is in the United States legally. People who arrived in the United States before 1980 are presumed to be legal by 2000, as are persons who are already here and adjust their status to legal permanent residence (from, for instance, “student”), persons getting green cards as they enter the United States, persons who acquired legal status under the Immigration Reform and Control Act of 1986, refugees, and several other categories. For a full explanation of Passel’s methodology, see Jeffrey S. Passel, “The Size and Characteristics of the Unauthorized Migrant Population in the U.S.: Estimates Based on the March 2005 Current Population Survey,” (Washington, DC: The Pew Hispanic Center, March 7, 2006), pp. 14-17.

One important point to bear in mind is that this estimate of undocumented residents includes a number of people who are, in fact, waiting for a ruling on their status. Nationally, this may be on the order of ten percent of the total number of undocumented immigrants. Among these are people in groups very likely to be granted legal permanent residency once their paperwork is processed, such as immigrants who are in the final stages of the application for legal permanent residency but are waiting for “green cards” to be issued, and immediate relatives of U.S. citizens. It includes as “undocumented” people who have been granted temporary protected status. It also includes groups such as people who have applied for asylum but

have not had their cases adjudicated, where typically a smaller percentage ultimately are granted legal status.

Methodology for estimates of day laborers

The number of day laborers in the New York City metropolitan region (including parts of Putnam, Westchester, Rockland, Nassau and Suffolk counties in New York, and Bergen county in New Jersey), comes from the research study “Day Labor in New York: Findings from the NYDL Survey.” The study, conducted by Abel Valenzuela, Jr. and Edwin Meléndez, estimated between 5,831 and 8,283 day laborers in New York metropolitan region for 2003. Day laborers are defined in the study as people who gather at “shape-up sites”—a street corner, empty lot or parking lot of a home improvement store (e.g., Home Depot), or an official hiring site—to sell their labor for the day, hour, or for a particular job. Professor Meléndez estimates that perhaps half or two-thirds of day laborers at shape-up sites are undocumented.

The study identified a total of fifty-seven sites. Of this total, twenty-nine representative sites were selected and respondents were randomly surveyed. The sites were subdivided into three types: connected—tied to a type of work like gardening, construction; unconnected—intersection, park, community space; and regulated—regulated by community group, city or county government.

This study identified that day laborers are primarily Latino: one-third from Mexico, another third from the rest of Central America, and the final third includes workers from South America. Other ethnic groups such as Chinese, Polish, Russian, Haitian day laborers were mostly not targeted in this study. The study found workers to be young and mostly recent arrivals (less than two years in the United States). The workers viewed these jobs as stepping stones toward permanent employment. Women comprised slightly over five percent of the day labor workforce.

Methodology for estimates of farm workers

The number of farm workers is derived from the 2002 Census of Agriculture, as analyzed by Professor Max Pfeffer of Cornell University. People working fewer than 150 days are assumed to be seasonal workers, those working more than 150 days are year-round farm workers.

In an extended study of five farming communities in New York State, Pfeffer and Professor Pilar A. Parra found that at least 80 percent of seasonal farm workers were immigrants, and that roughly two-thirds of seasonal workers were undocumented immigrants. The estimate assumes a similar distribution of documented and undocumented immigrants working on farms around the state. The great majority of farm workers in the state are seasonal workers. Since the communities in the Cornell study had few year-round employees, it difficult to

make more than broad statements about immigrants doing year-round farm labor. The five-community study, “Immigrants and the Community,” funded by the USDA Fund for Rural America, is available on the internet at:
http://rnyi.cornell.edu/poverty_and_social_inequality/?showall=1).

Appendix B

Immigrant contribution to State Gross Domestic Product for New York

Overview

The broadest and most comprehensive measure of economic activity is Gross Domestic Product (GDP). The immigrant contribution to New York GDP was estimated by applying the immigrant share of total wages and proprietors' earnings to the statewide GDP total. An intermediate step involved adjusting the immigrant share of wages for nativity differences in employer-provided health insurance coverage in going from wages and salaries to employee compensation. This appendix describes the methodology used, and reviews why the immigrant share of employee compensation and proprietors' earnings is a reasonable approximation of the immigrant share of New York's total GDP. As used throughout this report, "immigrants" are defined as "foreign born" and, unless specified differently, refers to immigrants without regard to the duration of their residency in the United States or in New York State.

State Gross Domestic Product

GDP represents the "value added" by the production of all goods and services. Value added is the difference between the value of the produced output of goods and services and the value of purchased intermediate inputs required to produce that output. Value added is the basis for production-related income flows—"factor incomes" to labor and capital.

The U.S. Commerce Department's Bureau of Economic Analysis (BEA) compiles the official national GDP data. State GDP is the state equivalent of GDP for the nation.¹

State GDP is built up from industry-level estimates that are scaled for consistency with national estimates of GDP by industry. Industry-level estimates are comprised of three components: labor income, capital income, and business taxes. Labor income measures employee compensation—wages and salaries and employer contributions for government social insurance, pensions and insurance funds. Capital income includes business income received by individuals, business partners and corporations. It also includes depreciation. Business taxes include non-income taxes such as federal excise, sales, property and other taxes that can be considered a business expense. (Business income taxes are paid out of capital income.)

¹BEA began publishing state GDP data (until 2006 BEA referred to it as Gross State Product) in 1985, and has made several improvements in the estimation methodology over the years. State GDP is estimated on an annual basis. The advance state GDP estimates are released six months after the end of the calendar year and are periodically updated and subject to revision. See, U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product by State Estimation Methodology, October 2006, <http://www.bea.gov/regional/pdf/gsp/GDPState.pdf>.

Estimating immigrant shares of wages and proprietors' earnings, by industry

Microdata from the American Community Survey (ACS) were used to estimate wage and salary and proprietors' earnings by nativity. In order to determine the immigrant share of what is produced in New York State (state GDP), adjustments were made to the earnings² data to add the earnings of commuters who work in New York State but reside in another state, and to subtract the earnings of New York State residents whose primary place of work is outside the state. Thus, earnings were estimated for 2005, by industry, for state residents working within New York State and non-New York residents working within New York State. These New York "place of work" estimates were made separately for immigrants and native-born workers. Industries were aggregated in the ACS micro data to match the 20 broad industry sectors (19 private sectors plus Government) commonly used in the GDP data.

Proprietors' earnings are conceptually identical measures in the ACS, the state personal income series (PI), and the state GDP series, although the value is not separately published in the GDP series. Proprietors' income is a component of gross operating surplus, the name for effectively what is "capital income" in the GDP series. Corporate income, which is not published on a state basis, is undoubtedly the largest single component of gross operating surplus, but proprietors' income is also significant. In New York State for 2005 in the PI series, proprietors' income is \$80.1 billion, accounting for nearly a quarter (23.2 percent) of the \$344.5 billion in gross operating surplus.

The immigrant share of total wages earned in New York State, including both resident immigrant workers and non-resident immigrant commuters working in New York, was 22.9 percent according to the 2005 ACS data. The immigrant share of proprietors' earnings for resident and commuter immigrant proprietors' working in New York was 22.7 percent according to the 2005 ACS data.

Appendix B, Figures 1 and 2 that follow provide 2005 data, by industry, for GDP, its two major components, and the results of our analysis of ACS data to determine the immigrant and native shares of wages and salaries, and proprietors' income for people working in New York State.

Adjusting immigrant wage shares for differences in health insurance coverage

Employee compensation in the GDP series is nearly identical to the measure used in the state PI series, also published by BEA.³ In the PI series for New York for 2005, wages and salaries represent 82.1 percent of employee compensation. In going from wages to employee compensation, we adjusted for differences by nativity in employer-provided health benefit

² When the term "earnings" is not preceded by either "wage and salary" or "proprietors" in this appendix, it is meant to encompass both types of earnings.

³ The difference is the wage and salary disbursements of U.S. residents employed by international organizations and foreign embassies and consulates in the U.S. – a very small fractional portion of the total.

coverage, a component of employee compensation. The non-wage components of employee compensation include two categories: employer contributions for pension and insurance funds, and employer contributions for government social insurance. The first category—employer contributions for pension and insurance funds—is basically employer contributions for pensions and health insurance and constitutes about two-thirds of the overall non-wage component of employee compensation. In a joint report, the Urban Institute and the United Hospital Fund provide estimates of coverage by employer-provided health insurance for New York City and New York State.⁴ Among native-born resident workers in New York State, 62.4 percent had employer-provided health insurance compared to 48.1 percent for resident immigrant workers.⁵ We assumed that the health benefit differential applied as well to employer-provided pensions, but that employer contributions for government social insurance were proportionate to wages for both native and immigrant workers.

This adjustment made the immigrant share of employee compensation earned in New York State in 2005, 22.4 percent, a half percentage point less than the immigrant share of wages. Combining the immigrant 22.4 percent share of employee compensation with the immigrant 22.7 percent share of proprietors' earnings, yields an overall immigrant share of 22.4 percent of New York State earnings in 2005.

Relating ACS-derived immigrant earnings shares to GDP

The two earnings measures for which we can directly estimate the immigrant share—wages and salaries and proprietors' income—account for 55.4 percent of GDP (2005). However, as discussed above, we can reasonably approximate the immigrant share of non-wage employee compensation, and if we exclude the GDP business tax component on the grounds that it is a derivative factor, then our ACS-based earnings shares apply to income flows constituting 70.8 percent of GDP. The balance is, effectively, corporate income and depreciation, and, using available data, cannot be directly or reasonably attributed to immigrants compared to native-born persons.

BEA estimates total New York GDP for 2006 at \$1.022 trillion. Applying the 22.4 percent immigrant share of earnings to the 2006 value for total New York GDP yields an estimate of \$229 billion in value added that can be attributed to immigrants working in New York.

Industry-level results and discussion of the reasonableness of estimating the immigrant share of GDP using earnings

It is interesting that the immigrant share of wages (22.9 percent) is very similar to the immigrant share of proprietors' income (22.7 percent), reflecting the fact that immigrants are well represented among business owners as well as among employees. Looking across the 20

4 Urban Institute and United Hospital Fund, "Health Insurance Coverage in New York 2004-2005," September 2007, Table 1, http://www.uhfnyc.org/pubs-stories3220/pubs-stories_show.htm?doc_id=521121.

5 For all workers, the share with employer-provided health insurance was 59.5 percent. Also, for purposes of adjusting the immigrant share of wages for differences in health insurance coverage, we assume that the relative relationship between employer-provided coverage for resident workers is no different than the relative relationship for natives and immigrants working in New York State.

broad industry sectors, the immigrant share of earnings (either wages or proprietors' income) usually falls within a fairly narrow range of 10 to 40 percent range. In only two sectors—agriculture and mining, which together account for less than 0.5 percent of New York GDP—are the immigrant shares less than 10 percent. At the other extreme, the immigrant share of wages in the accommodation and food sector is 46 percent and the immigrant share of proprietors' income even higher at 52 percent. The heavy immigrant presence among owners of taxi and car service companies explains the very high (62 percent) immigrant share of proprietors' earnings in the transportation and warehousing sector.

While we are not able to directly attribute corporate income to immigrants versus native-born persons, several observations support our sense that this limitation does not seriously jeopardize the method employed here that applies a wage and proprietors' earnings share to total GDP.

As noted above, wage and proprietors' earnings do account for a very large proportion (71 percent) of GDP (leaving aside the business tax component);

The compensation of all workers, managers, sole proprietors and business partners—that is, everyone directly involved in the production of goods and services—are included in the ACS and reflected in the wage and proprietors' earnings total;

Immigrants are well-represented among business owners—in ten of the 19 private sectors, the immigrant share of proprietors' earnings is 25 percent or greater;

Immigrants are disproportionately represented among the sector that includes corporate headquarters operations (“management of companies”)—immigrants received 38 percent of the wages paid in this sector;

The fact that the immigrant share of GDP is roughly equivalent to the immigrant share of New York population is not the result, as this analysis shows, of a very high concentration of immigrant earnings in primarily labor-intensive industries. If the corporate income and depreciation share of GDP is a proxy for capital intensiveness, then immigrants are at least as important a factor in capital-intensive industries as in other industries. Generally, on a sector basis, the importance of the GDP component that includes corporate income and depreciation—gross operating surplus minus proprietors' earnings—tends to vary directly with the immigrant share of earnings.⁶

What if it is *not* reasonable to assume that the immigrant share of the missing GDP component—corporate income and depreciation—is comparable to the immigrant share of wage and proprietors' income? If the share of corporate income and depreciation that could be attributed to immigrants were only *half* (i.e., 11.2 percent) the immigrant share of employee compensation and proprietors' income (a share that seems unrealistically low), that would make the immigrant share of GDP 19.1 percent, 3.3 percentage points lower. This would still be a share of overall economic activity roughly in line with the immigrant share of the population.

⁶ The correlation coefficient between the two is +0.14, meaning that the corporate income share of GDP, by sector, on average, is slightly higher in sectors with a high immigrant share of earnings.

Concluding comment

Our aim in estimating the immigrant share of New York GDP was to gauge, using the broadest measure of economic activity, the contribution made by immigrants. Our purpose was not to suggest that New York GDP would be that much lower without immigrants—indeed, a host of other forces would come into play that would produce a much different and indeterminate result.

Our analysis in this report finds that immigrants are a significant factor in a broad and diverse range of occupations and industries in New York. They are business owners as well as workers, managers and professionals as well as laborers, and that they contribute as commuters as well as residents. In short, immigrants are integral to the state economy in a multiplicity of ways.

New York State Gross Domestic Product, employee compensation and proprietors income, by industry, 2005

Industry	New York State 2005 Gross Domestic Product (in millions of dollars)			New York State 2005 personal income (in millions of dollars)	
	Gross Domestic Product by state	Compensation of employees	Gross operating surplus	Employee compensation	Proprietors income
	2005	2005	2005	2005	2005
Total	\$961,385	\$547,812	\$344,540	\$551,573	\$80,070
Private industries	\$861,618	\$456,071	\$333,562	\$456,689	\$80,070
Agric., forestry & fishing	\$2,215	\$662	\$1,804	\$1,477	\$580
Mining	\$866	\$308	\$502	\$315	\$1,096
Utilities	\$17,705	\$4,347	\$10,056	\$4,659	\$1,472
Construction	\$31,385	\$20,872	\$10,066	\$20,824	\$4,548
Manufacturing	\$62,665	\$40,219	\$18,860	\$39,993	\$4,389
Wholesale trade	\$49,857	\$26,899	\$13,034	\$26,603	\$1,887
Retail trade	\$51,861	\$29,264	\$10,311	\$29,037	\$2,435
Transp. & warehousing	\$16,201	\$11,685	\$4,020	\$12,034	\$1,202
Information	\$69,132	\$25,353	\$39,284	\$25,127	\$12,730
Finance & insurance	\$140,446	\$96,764	\$39,540	\$97,076	\$11,307
Real estate, rental & leasing	\$143,800	\$10,773	\$108,729	\$10,723	\$6,532
Professional & technical services	\$83,177	\$51,344	\$30,070	\$50,918	\$17,968
Management of companies	\$26,365	\$17,348	\$8,900	\$17,489	\$19
Administrative & waste services	\$24,967	\$17,793	\$6,297	\$17,776	\$1,937
Educational services	\$14,838	\$13,381	\$1,292	\$13,251	\$358
Health care & social assistance	\$73,888	\$55,427	\$17,675	\$55,562	\$6,866
Arts, entertainment & recreation	\$10,424	\$6,434	\$3,551	\$6,558	\$1,703
Accommodation & food services	\$21,723	\$13,046	\$5,215	\$13,116	\$743
Other services, except gov't.	\$20,102	\$14,151	\$4,356	\$14,150	\$2,298
Government	\$99,767	\$91,740	\$10,977	\$94,884	\$0

Figure 1, Appendix B

Sources: Bureau of Economic Analysis, Gross Domestic Product, personal income.

Immigrant shares of New York State wages and proprietors income, 2005

Industry	2005 ACS, wages and proprietors income					
	NYS residents working in NYS		non-NYS residents working in NYS		total residents and non-residents working in NYS	
	Immigrant share resident wages	Immigrant share resident proprietors income	Immigrant share commuter wages	Immigrant share commuter proprietors income	Immigrant share total NYS wages	Immigrant share total NYS proprietors income
	2005	2005	2005	2005	2005	2005
Total	22.5%	22.7%	26.0%	23.0%	22.9%	22.7%
Private industries	23.2%	22.7%	26.0%	23.1%	23.5%	22.7%
Agric., forestry & fishing	8.0%	7.9%	0.0%	0.0%	7.9%	7.9%
Mining	8.9%	0.0%	3.8%	0.0%	8.6%	0.0%
Utilities	10.1%	40.9%	12.0%	0.0%	10.2%	40.9%
Construction	26.2%	25.7%	33.8%	26.4%	26.6%	25.7%
Manufacturing	19.1%	16.4%	23.5%	27.2%	19.6%	17.4%
Wholesale trade	22.0%	32.4%	22.3%	36.5%	22.0%	33.1%
Retail trade	24.6%	31.4%	23.9%	61.1%	24.5%	33.0%
Transp. & warehousing	29.9%	65.6%	21.1%	45.9%	29.0%	62.3%
Information	11.0%	10.3%	19.0%	14.3%	12.3%	10.7%
Finance & insurance	22.1%	10.4%	24.1%	0.2%	22.6%	9.4%
Real estate, rental & leasing	30.1%	17.0%	22.3%	0.0%	29.6%	16.7%
Professional & technical services	17.9%	11.9%	27.3%	16.4%	19.3%	12.6%
Management of companies	28.8%	43.3%	56.9%	0.0%	37.7%	11.7%
Administrative & waste services	27.3%	28.2%	39.7%	29.2%	28.4%	28.2%
Educational services	15.3%	24.4%	26.3%	32.5%	15.9%	24.9%
Health care & social assistance	30.6%	28.6%	44.9%	28.1%	31.3%	28.5%
Arts, entertainment & recreation	11.8%	13.3%	5.7%	38.0%	11.0%	13.5%
Accommodation & food services	46.1%	51.3%	46.7%	94.1%	46.1%	52.1%
Other services, except gov't.	32.3%	41.9%	23.6%	57.8%	31.8%	42.3%
Government	12.8%	12.4%	24.5%	0.0%	13.3%	12.1%

Figure 2, Appendix B

Source: FPI analysis of 2005 ACS PUMS.



The Fiscal Policy Institute prepared this report as part of *The Truth about Immigrants*, a joint project with The New York Immigration Coalition.



The Fiscal Policy Institute is a nonpartisan research and education organization that focuses on tax, budget, and economic issues that affect the quality of life and the economic well-being of New York State residents.

11 Park Place, 7th Floor
New York, NY 10007
212-721-5624

One Lear Jet Lane
Latham, NY 12110
518-786-3156

www.fiscalpolicy.org