

# New Americans in Pennsylvania: The Political and Economic Power of Immigrants, Latinos, and Asians in the Keystone State

Immigrants, Latinos, and Asians account for large and growing shares of the economy and population in the electoral swing state of Pennsylvania. Immigrants (the foreign-born) make up 6.3% of the state's population, and over half of them are naturalized U.S. citizens eligible to vote. "New Americans"—immigrants and the children of immigrants—account for 5.3% of all registered voters in the state. Latinos and Asians (both foreign-born and native-born) account for more than 9% of all Pennsylvanians and wield \$36.3 billion in consumer purchasing power, and the businesses they own had sales and receipts of \$14.8 billion and employed more than 73,000 people at last count. Immigrant, Latino, and Asian workers, consumers, and entrepreneurs are integral to Pennsylvania's economy and tax base—and they are an electoral force with which every politician must reckon.

### Immigrants and their children are growing shares of Pennsylvania's population and electorate.

- The foreign-born share of Pennsylvania's population rose from 3.1% in 1990,¹ to 4.1% in 2000,² to 6.2% in 2013,³ according to the U.S. Census Bureau. Pennsylvania was home to 796,159 immigrants in 2013,⁴ which is nearly the total population of Columbus, Ohio.⁵
- 51.6% of immigrants (or 410,524 people) in Pennsylvania were naturalized U.S. citizens in 2013<sup>6</sup>—meaning that they are eligible to vote.
- Unauthorized immigrants comprised 1.3% of the state's population in <u>2012</u> (or 170,000 people), according
  to a report by the Pew Hispanic Center.<sup>7</sup>
- 5.3% (or 361,630) of all registered voters in Pennsylvania were "New Americans"—immigrants or the children of immigrants—according to an analysis of 2012 Census Bureau data by the <u>American Immigration Council</u>.<sup>8</sup>

#### Roughly 1 in 11 Pennsylvanians are Latino or Asian.

■ The Latino share of Pennsylvania's population grew from 2.0% in 1990,9 to 3.2% in 2000,10 to 6.3% (or 808,147 people) in 2013.11 The Asian share of the population grew from 1.1% in 1990,12 to 1.8% in 2000,13 to 3% (or 384,783 people) in 2013,14 according to the U.S. Census Bureau.

- Latinos comprised 3.2% (or 184,000) of Pennsylvania voters in the 2012 elections, according to the <u>U.S.</u>
   <u>Census Bureau</u>.<sup>15</sup>
- In Pennsylvania, 86.9% of children with immigrant parents were U.S. citizens in 2009, according to data from the Urban Institute. 16
- In 2009, 87.6% of children in Asian families in Pennsylvania were U.S. citizens, as were 95.2% of children in Latino families.<sup>17</sup>

## Immigrant, Latino, and Asian entrepreneurs and consumers add tens of billions of dollars and tens of thousands of jobs to Pennsylvania's economy.

- The 2014 purchasing power of Pennsylvania's Latinos totaled \$17.9 billion—an increase of 746% since 1990. Asian buying power totaled \$18.5 billion—an increase of 716% since 1990, according to the <u>Selig Center for Economic Growth</u> at the University of Georgia. 18
- Immigration boosts housing values in communities. From 2000 to 2010, according to the <u>Americas Society/Council of the Americas</u>, the value added by immigration to the price of the average home was \$4,084 in Philadelphia County and \$2,438 in Montgomery County.<sup>19</sup>
- Pennsylvania's 31,313 <u>Asian-owned</u> businesses had sales and receipts of \$11.6 billion and employed 58,506 people in 2007, the last year for which data is available.<sup>20</sup> The state's 22,777 <u>Latino-owned</u> businesses had sales and receipts of \$3.2 billion and employed 15,362 people in 2007, according to the U.S. Census Bureau's Survey of Business Owners.<sup>21</sup>
- From 2006 to 2010, there were <u>38,799</u> new immigrant business owners in Pennsylvania who had total net business income of \$2.2 billion (7.6% of all net business income in the state), according to Robert Fairlie of the University of California, Santa Cruz.<sup>22</sup>
- In 2010, 9.1% of all business owners in Pennsylvania were foreign-born, according to the Fiscal Policy Institute. <sup>23</sup> In 2013, 14.3% of business owners in the Philadelphia-Camden-Wilmington metropolitan area and 6.9% in the Pittsburgh metropolitan area were foreign-born, according to the Fiscal Policy Institute and Americas Society/Council of the Americas. <sup>24</sup> Furthermore, 28.2% of "Main Street" business owners—owners of businesses in the retail, accommodation and food services, and neighborhood services sectors—in the Philadelphia metro area and 11.1% of "Main Street" business owners in the Pittsburgh metro area were foreign-born in 2013. <sup>25</sup>

#### Immigrants are essential to Pennsylvania's economy as workers and taxpayers.

- Immigrants comprised 7.5% of the state's workforce in 2013 (or 491,814 workers), according to the U.S.
   Census Bureau 26
- Immigrants accounted for nearly three-quarters of labor-force growth in Philadelphia between 2000 and 2006, according to a report by the <u>Brookings Institution</u>.<sup>27</sup>
- Immigrants accounted for 10% of total economic output in the Philadelphia metropolitan area and 4% of
  economic output in the Pittsburgh metropolitan area as of 2007, according to a study by the <u>Fiscal Policy</u>
  <u>Institute</u>.<sup>28</sup>
- Latinos in Pennsylvania paid \$1.8 billion in federal taxes and \$967 million in state/local taxes in 2013, according to the <u>Partnership for a New American Economy</u>. In particular, foreign-born Latinos paid \$590.5 million in federal taxes and \$299.5 million in state/local taxes.<sup>29</sup>
  - The federal tax contribution of Pennsylvania's Latino population included \$1.3 billion to Social Security and \$312 million to Medicare in 2013. Foreign-born Latinos contributed \$421 million to Social Security and \$98.4 million to Medicare that year.<sup>30</sup>
- Unauthorized immigrants comprised 1.7% of the state's workforce in 2012 (or 110,000 workers), according
  to a report by the Pew Hispanic Center.<sup>31</sup>
- If all unauthorized immigrants were removed from Pennsylvania, the state would lose \$5.3 billion in economic activity, \$2.3 billion in gross state product, and approximately 27,718 jobs, even accounting for adequate market adjustment time, according to a report by the <a href="Perryman Group.">Perryman Group</a>. 32

#### Unauthorized immigrants pay taxes.

- Unauthorized immigrants in Pennsylvania paid over \$150.4 million in state and local taxes in 2012, including \$75.2 million in sales taxes, \$32.4 million in personal income taxes, and \$42.8 million in property taxes, according to data from the Institute on Taxation and Economic Policy.<sup>33</sup>
- Were unauthorized immigrants in Pennsylvania to have lawful permanent residence, they would pay over \$201 million in state and local taxes, including \$82.7 million in sales taxes, \$71.3 million in personal income taxes, and \$47.1 million in property taxes.<sup>34</sup>

#### Immigrants are integral to Pennsylvania's economy as students.

Pennsylvania's 41,446 foreign students contributed \$1.4 billion to the state's economy in tuition, fees, and living expenses for the 2013-2014 academic year, according to NAFSA: Association of International Educators.

- Foreign students contribute to Pennsylvania's metropolitan areas. From 2008 to 2012, according to the Brookings Institution, 24,346 foreign students paid \$689 million in tuition and \$340 million in living costs in the Philadelphia-Camden-Wilmington metropolitan area. In the Pittsburgh metro area, 13,326 foreign students paid \$444 million in tuition and \$183 million in living costs. In the State College metro area, 7,406 foreign students paid \$181 million in tuition and \$135 million in living costs. In the Allentown-Bethlehem-Easton metro area, 2,039 foreign students paid \$52.3 million in tuition and \$19.8 million in living costs. In the Erie metro area, 1,939 foreign students paid \$37.4 million in tuition and \$18.8 million in living costs
- Foreign students also contribute to innovation in Pennsylvania. In 2009, "non-resident aliens" comprised 41.7% of master's degrees and 46.6% of doctorate degrees in science, technology, engineering, and mathematics (STEM) fields, according to the <u>Partnership for a New American Economy</u>.<sup>37</sup>

#### Immigrants in Pennsylvania excel educationally.

- The number of immigrants in Pennsylvania with a college degree increased by 58.9% between 2000 and 2011, according to <u>data</u> from the Migration Policy Institute.<sup>38</sup>
- 35.1% of Pennsylvania's foreign-born population age 25 and older had at least a bachelor's degree in 2011, compared to 26.3% of native-born persons age 25 and older.<sup>39</sup>
- In Pennsylvania, 88% of children with immigrant parents were considered "English proficient" as of 2009, according to data from the Urban Institute.<sup>40</sup>
- The English proficiency rate among Asian children in Pennsylvania was 88%, while for Latino children it was 87.5%, as of 2009. 41

#### **Endnotes**

- 1. U.S. Census Bureau, *The Foreign-Born Population: 2000*, December 2003.
- 2. Ibid.
- 3. 2013 American Community Survey (1-Year Estimates).
- 4. Ibid.
- 5. Ibid.
- 6. Ibid.
- 7. Jeffrey S. Passel, D'Vera Cohn, and Molly Rohal, <u>Unauthorized Immigrant Totals Rise in 7 States, Fall in 14</u> (Washington, DC: Pew Research Center's Hispanic Trends Project, November 18, 2014), p. 30.
- 8. Walter A. Ewing and Guillermo Cantor, *New Americans in the Voting Booth: The Growing Electoral Power of Immigrant Communities* (Washington, DC: American Immigration Council, October 2014), p. 25.
- 9. U.S. Census Bureau, The Hispanic Population: 2000, May 2001.
- 10. Ibid.
- 11. 2013 American Community Survey (1-Year Estimates).
- 12. U.S. Census Bureau, *The Asian Population: 2000*, February 2002.

- 13. Ibid.
- 2013 American Community Survey (1-Year Estimates).
- 15. 2012 Current Population Survey, Table 4b. Reported Voting and Registration, by Sex, Race and Hispanic Origin, for States: November 2012.
- The Urban Institute, data from the Integrated Public Use Microdata Series datasets drawn from the 2005 2009 American Community Survey.
- 17. Ibid.
- 18. Jeffrey M. Humphreys, <u>The Multicultural Economy 2014</u> (Athens, GA: Selig Center for Economic Growth, University of Georgia, 2014), pp. 22, 24
- 19. Jacob Vigdor, Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market (New York, NY: Americas Society/Council of the Americas, 2013).
- 20. U.S. Census Bureau, Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status: 2007, June 2011.
- 21. Ibid.
- 22. Robert W. Fairlie, Open for Business: How Immigrants are Driving Small Business Creation in the United States (New York, NY: Partnership for a New American Economy, 2012), p. 32.
- 23. David Dyssegaard Kallick, <u>Immigrant Small Business Owners: A Significant and Growing Part of the Economy</u> (New York, NY: Fiscal Policy Institute, 2012), p. 24.
- 24. David Dyssegaard Kallick, <u>Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow</u> (New York, NY: Americas Society/Council of the Americas and Fiscal Policy Institute, 2015).
- 25. Ibid.
- 26. 2013 American Community Survey (1-Year Estimates).
- 27. Audrey Singer, et al., *Recent Immigration to Philadelphia: Regional Change in a Re-Emerging Gateway* (Washington, DC: Brookings Institution, November 2008).
- 28. David Dyssegaard Kallick, <u>Immigrants in the Economy: Contribution of Immigrant Workers to the Country's 25 Largest Metropolitan Areas</u> (New York, NY: Fiscal Policy Institute, December 2009), p. 11.
- 29. Partnership for a New American Economy, *The Power of the Purse: The Contributions of Hispanics to America's Spending Power and Tax Revenues in 2013* (New York, NY: Partnership for a New American Economy, 2014).
- 30. Ibid.
- 31. Jeffrey S. Passel, D'Vera Cohn, and Molly Rohal, <u>Unauthorized Immigrant Totals Rise in 7 States, Fall in 14</u> (Washington, DC: Pew Research Center's Hispanic Trends Project, November 18, 2014), p. 30.
- 32. The Perryman Group, *An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the US with Estimated Effects by State and by Industry* (Waco, TX: April 2008).
- 33. Institute on Taxation and Economic Policy, <u>Undocumented Immigrants' State and Local Tax Contributions</u> (Washington, DC: April 2015).
- 34. Ibid.
- 35. NAFSA: Association of International Educators, *The Economic Benefits of International Students to the U.S. Economy: Academic Year 2013-2014* (Washington, DC: 2014).
- 36. Neil Ruiz, *The Geography of Foreign Students in U.S. Higher Education: Origins and Destinations* (Washington, DC: The Brookings Institution, 2014).
- 37. Partnership for a New American Economy, <u>Help Wanted: The Role of Foreign Workers in the Innovation Economy</u> (New York, NY: Partnership for a New American Economy, 2013), p. 21.
- 38. Migration Policy Institute Data Hub, Pennsylvania: Language & Education.
- 39. Ibid
- 40. <u>The Urban Institute</u>, data from the Integrated Public Use Microdata Series datasets drawn from the 2005 2009 American Community Survey.
- 41. Ibid.