

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

Immigrants, Latinos, and Asians account for large and growing shares of the economy and population in Tennessee. Immigrants (the foreign-born) make up roughly 4.7% of the state's population, and more than one-third of them are naturalized U.S. citizens who are eligible to vote. Immigrants are essential to the state's economy as workers, taxpayers, and business owners. Moreover, Latinos and Asians (both foreign-born and native-born) account for 1 in 16 Tennesseans and wield \$12.3 billion in consumer purchasing power. At last count, the sales and receipts of businesses owned by Latinos and Asians totaled \$5.4 billion and employed more than 38,000 people. Immigrant, Latino, and Asian workers, consumers, and entrepreneurs are integral to Tennessee'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 Tennessee's population and electorate.

- The foreign-born share of Tennessee's population rose from 1.2% in 1990,¹ to 2.8% in 2000,² to 4.7% in 2013,³ according to the U.S. Census Bureau. Tennessee was home to 304,801 immigrants in 2013,⁴ which is more than the total population of Saint Paul, Minnesota.⁵
- 37.5% of immigrants (or 114,362 people) in Tennessee were naturalized U.S. citizens in 2013<sup>6</sup>—meaning that they are eligible to vote.
- Unauthorized immigrants comprised roughly 2% of the state's population (or 130,000 people) in 2012, according to a report by the Pew Hispanic Center.<sup>7</sup>
- 3% (or 94,902) of all registered voters in Tennessee are "New Americans"—naturalized citizens or the U.S.-born children of immigrants who were raised during the current era of immigration from Latin America and Asia which began in 1965—according to an analysis of 2012 Census Bureau data by the American Immigration Council.<sup>8</sup>

#### 1 in 16 Tennesseans are Latino or Asian — and they vote.

■ The Latino share of Tennessee's population grew from 0.7% in 1990, to 2.2% in 2000, to 4.8% (or 309,224 people) in 2013. The Asian share of the population grew from 0.6% in 1990, to 1.0% in 2000, to 1.5% (or 98,746 people) in 2013, according to the U.S. Census Bureau.

- Latinos comprised 3.2% (or 84,000) of Tennessee voters in the 2012 elections, according to the <u>U.S. Census</u>
  Bureau.<sup>15</sup>
- In Tennessee, 85.4% of children with immigrant parents were U.S. citizens in <u>2009</u>, according to data from the Urban Institute. <sup>16</sup>
- In <u>2009</u>, 89% of children in Asian families in Tennessee were U.S. citizens, as were 87.1% of children in Latino families.<sup>17</sup>

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

- The 2014 purchasing power of Tennessee's Latinos totaled \$7.1 billion—an increase of 1,696% since 1990. Asian buying power totaled \$5.2 billion—an increase of 1,000% 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 \$2,395 in Shelby County; \$3,564 in Davidson County; \$718 in St. Charles County; \$664 in Kent County; and \$575 in Washtenaw County.<sup>19</sup>
- Tennessee's 11,178 <u>Asian-owned</u> businesses had sales and receipts of \$3.6 billion and employed 26,402 people in 2007,<sup>20</sup> the last year for which data is available. The state's 8,700 <u>Latino-owned</u> businesses had sales and receipts of \$1.8 billion and employed 12,074 people in 2007,<sup>21</sup> according to the U.S. Census Bureau's Survey of Business Owners.
- From 2006 to 2010, there were 15,369 new immigrant business owners in Tennessee who had total net business income of \$851 million (5.6% of all net business income in the state), according to Robert Fairlie of the University of California, Santa Cruz.<sup>22</sup>
- In 2010, <u>7.2% of all business owners</u> in Tennessee were foreign-born, according to the Fiscal Policy Institute. <sup>23</sup> In 2013, <u>9.5% of business owners</u> in the Nashville-Davidson-Murfreesboro-Franklin metropolitan area and 12.8% in the Memphis metropolitan area were foreign-born, according to the Fiscal Policy Institute and Americas Society/Council of the Americas. <sup>24</sup> Furthermore, 29.0% of "Main Street" business owners—owners of businesses in the retail, accommodation and food services, and neighborhood services sectors—in the Nashville metro area and 28.7% of "Main Street" business owners in the Memphis metro area were foreign-born in 2013. <sup>25</sup>

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

■ Immigrants comprised 6.3% of the state's workforce in 2013 (or 199,087 workers), according to the U.S. Census Bureau.<sup>26</sup>

- Latinos in Tennessee paid \$646 million in federal taxes and \$257 million in state/local taxes in 2013, according to the <u>Partnership for a New American Economy</u>. In particular, foreign-born Latinos paid \$297 million in federal taxes and \$148 million in state/local taxes.<sup>27</sup>
  - The federal tax contribution of Tennessee's Latino population included \$459 million to Social Security and \$107 million to Medicare in 2013. Foreign-born Latinos contributed \$241 million to Social Security and \$56 million to Medicare that year.<sup>28</sup>
- Unauthorized immigrants comprised 2.8% of the state's workforce in <u>2012</u> (or 90,000 workers), according to a report by the Pew Hispanic Center.<sup>29</sup>
- If all unauthorized immigrants were removed from Tennessee, the state would lose \$3.8 billion in economic activity, \$1.7 billion in gross state product, and approximately 25,919 jobs, even accounting for adequate market adjustment time, according to a report by the <a href="Perryman Group">Perryman Group</a>. 30

#### Unauthorized immigrants pay taxes.

- Unauthorized immigrants in Tennessee paid \$109 million in state and local taxes in 2012, including \$91.4 million in sales taxes and \$17.1 million in property taxes, according to data from the Institute on Taxation and Economic Policy.<sup>31</sup>
- Were unauthorized immigrants in Tennessee to have lawful permanent residence, they would pay \$119.5 million in state and local taxes, including \$100.6 million in sales taxes and \$18.8 million in property taxes.<sup>32</sup>

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

- Tennessee's 8,436 foreign students contributed \$242.3 million to the state's economy in tuition, fees, and living expenses for the 2013-2014 academic year, according to NAFSA: Association of International Educators.<sup>33</sup>
- Foreign students contribute to Tennessee's metropolitan areas. From 2008 to 2012, according to the Brookings Institution, 3,330 foreign students paid \$87.6 million in tuition and \$37.1 million in living costs in the Nashville-Davidson-Murfreesboro-Franklin metropolitan area. In the Knoxville metro area, 1,590 foreign students paid \$36.2 million in tuition and \$16.2 million in living costs.<sup>34</sup>
- Foreign students also contribute to innovation in Tennessee. In 2009, "non-resident aliens" comprised 32.2% of master's degrees and 41% of doctorate degrees in science, technology, engineering, and mathematics (STEM) fields, according to the <a href="Partnership for a New American Economy">Partnership for a New American Economy</a>. 35

### Naturalized citizens excel educationally.

- In Tennessee, 34.1% of foreign-born persons who were naturalized U.S. citizens in <u>2011</u> had a bachelor's or higher degree, compared to 23.8% of noncitizens. Only 17.8% of naturalized citizens lacked a high-school diploma, compared to 34.8% of noncitizens.<sup>36</sup>
- The number of immigrants in Tennessee with a college degree increased by 84.8% between 2000 and 2011, according to <u>data</u> from the Migration Policy Institute.<sup>37</sup>
- 27.8% of Tennessee's foreign-born population age 25 and older had a bachelor's or higher degree in 2011, compared to 23.4% of native-born persons age 25 and older.<sup>38</sup>
- In Tennessee, 84.7% of children with immigrant parents were considered "English proficient" as of 2009, according to data from the Urban Institute.<sup>39</sup>
- The English proficiency rate among Asian children in Tennessee was 92.1%, while for Latino children it was 82.1%, as of 2009.<sup>40</sup>

#### **Endnotes**

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- 9. U.S. Census Bureau, *The Hispanic Population: 2000*, May 2001.
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- 16. <u>The Urban Institute</u>, data from the Integrated Public Use Microdata Series datasets drawn from the 2005 2009 American Community Survey.
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