



ECONOMIC DEVELOPMENT
RESEARCH PARTNERS

*International Economic
Development Council*

The Economic Development Impacts of Immigration

**EDRP Research Session
Monday, October 7
Denny Coleman, Task Force Co-Chair**

Immigration and Economic Development

- Main goals:
 1. Understand the economic development impacts of immigration, and
 2. Learn from existing best practices among EDOs on how to maximize the potential of current and future immigrants for community advancement.

Immigrants Influence:

- Economic Growth
- STEM Industries
- Entrepreneurship
- Job Growth
- Labor Force

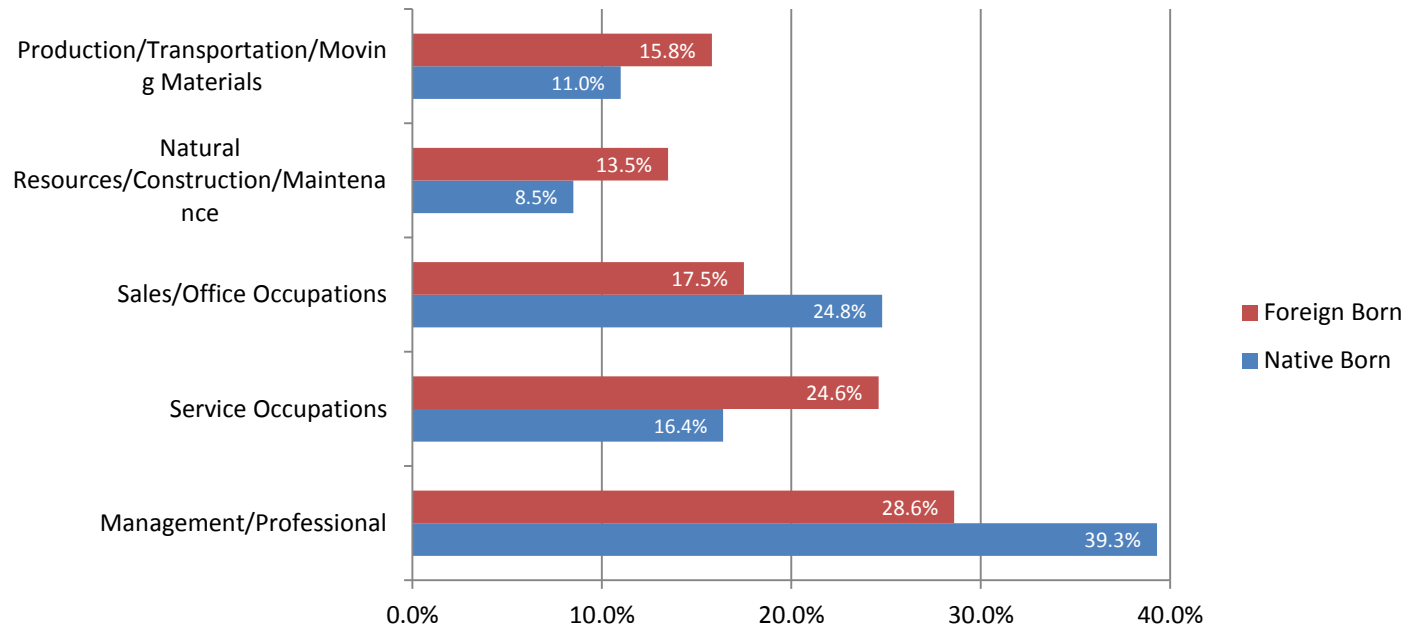
Furthermore, immigrants, whether documented or undocumented,

1. Assimilate into American culture and increase their personal wealth,
2. Do not disproportionately use public benefits.

Economic Growth

- Immigrants contribute to economic expansion, raising wages and employment for natives.

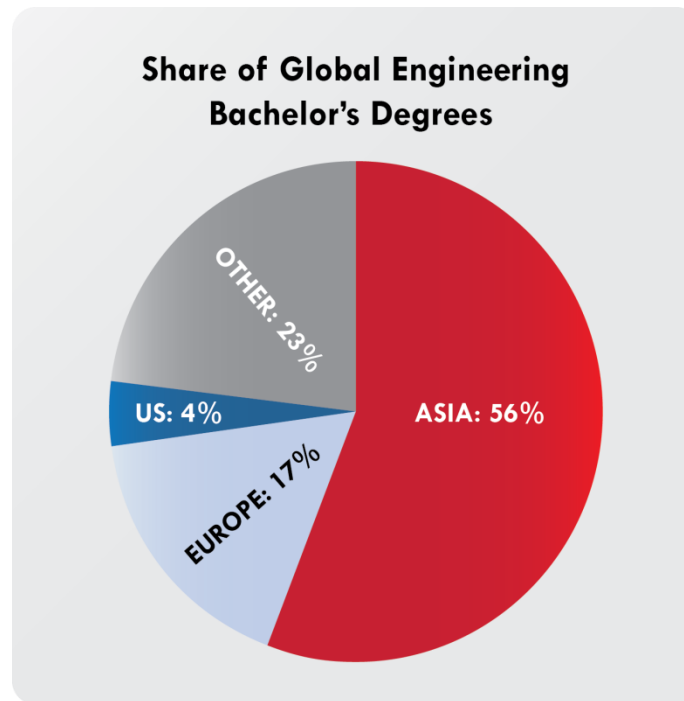
Occupations of Foreign Born vs. Native Born in U.S. Labor Force



Source: U.S. Department of Labor, Bureau of Labor Statistics, Foreign-Born Workers: Labor Force Characteristics – 2011

STEM Industries

- Immigrants fuel U.S. STEM industries through innovation and high-tech entrepreneurship.



Source: National Science Foundation. (2012). Science and engineering indicators.

Entrepreneurship

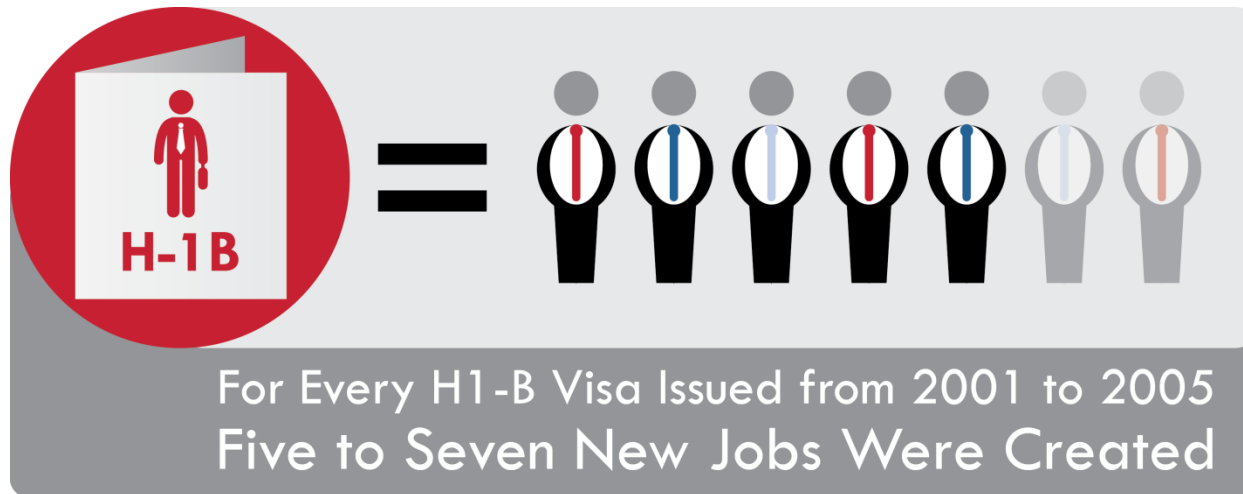
- Immigrants are twice as likely to start a business than the native born.



Source: Fairlie, R. (2012). Open for business: How immigrants are driving small business creation in the United States. *The Partnership for a New American Economy*, p. 3.

Job Growth:

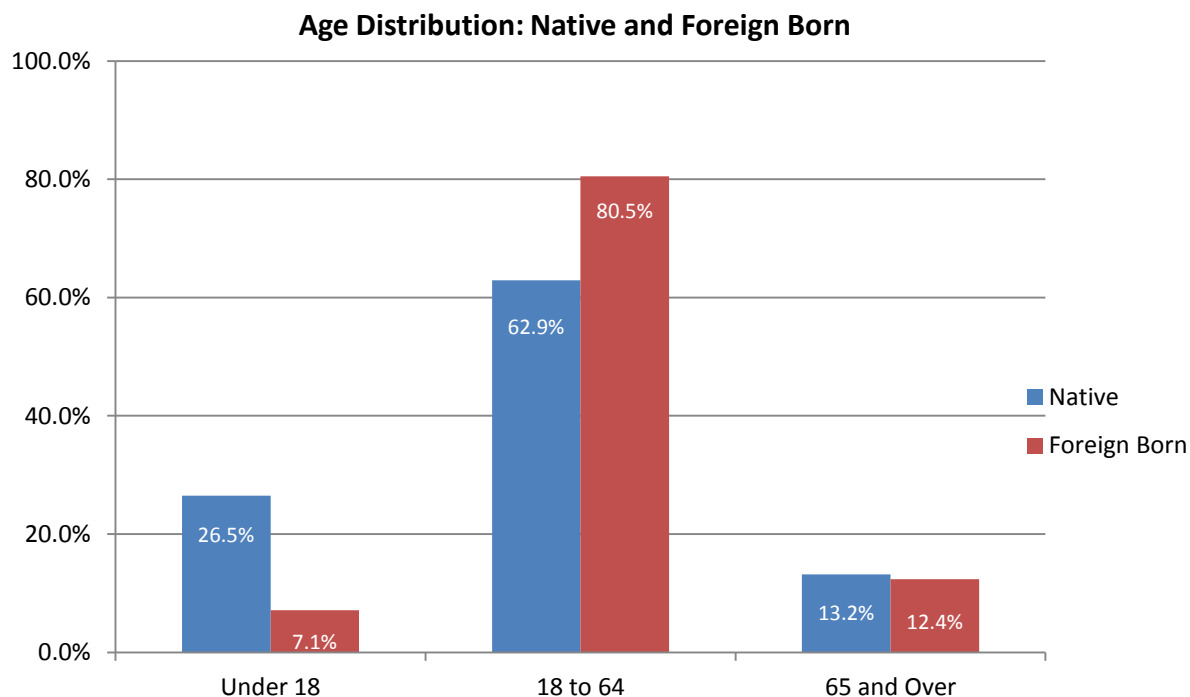
- The presence of immigrants expands the economy and leads to more jobs.



Source: National Foundation for American Policy. (2008). H1-B visas and job creation. NFAP Policy Brief.

Labor Force

- Roughly 80 percent of immigrants are “working age,” compared to only 60 percent of the native-born population.



Source: U.S. Census Bureau, American Community Survey, 2010.

Assimilation

- **Assimilation:** Immigrants assimilate, including in citizenship, speaking English, home ownership and increased wages.



Public Benefits

- A 2013 Congressional Budget Office report found that benchmark immigration reform would raise the pace of economic growth by nearly a percentage point over the near term, raise the GDP per capita by over \$1,500, and reduce the federal deficit by over \$2.5 trillion.

Undocumented Immigrants

- A 2008 study found that, for the U.S. as a whole, the immediate negative effect of eliminating the undocumented workforce would include an estimated \$1.757 trillion in annual lost spending, \$651.511 billion in annual lost output and 8.1 million lost jobs.

Immigration and Economic Development

- Recommendations:
 - **Tailor your strategy to immigrant populations' economic needs**, by first understanding the number of immigrants in the community, as well as the organizations currently serving them.
 - **Break down cultural, lingual, legal and regulatory barriers** to tap into immigrant potential.

Recommendations (cont.):

- **Create an environment where immigrants can flourish**, by fostering community conversations about contributions of immigrants.
- **Retain immigrant talent** by connecting immigrants and businesses through networking.
- **Engage immigrants to create links to the global economy**, such as for business attraction/expansion or FDI opportunities.

Q&A