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New report shows robust immigrant contribution to GDP

HARRISBURG, PA (December 1, 2009)— In the 25 largest metropolitan areas of the United States, including Pittsburgh and Philadelphia, immigrants are contributing to the economy in very close proportion to their share of the population, according to a report released this week by the Fiscal Policy Institute in New York. The report looks at all immigrants – documented and undocumented, across the economic spectrum.

In the 25 largest metropolitan areas combined – comprising more than half of the country's Gross Domestic Product, and two thirds of all immigrants – foreign-born workers are responsible for 20% of economic output and make up 20% of the population.

The same basic relationship holds true, with slight variation, for each of the 25 areas, from metro Pittsburgh, where immigrants represent 3% of population and 4% of GDP, to metro Philadelphia, where immigrants represent 9% of population and 10% of GDP, to metro Miami, where immigrants make up 37% of the population and 38% of GDP. The report for the first time estimates immigrant share of Gross Domestic Product in metro areas, based on wage and salary earnings plus proprietors' income.

Key Pittsburgh and Philadelphia Metropolitan Area Findings:

- In metro Pittsburgh, nearly half of immigrants work in managerial and professional occupations, a high- and middle-wage occupational category that includes executives, doctors, lawyers, engineers, teachers, professors, social workers, and artists. This is the highest share for any of the 25 metro areas studied.

- In metro Philadelphia, immigrants represent nearly a third of workers in the managerial and professional occupations, also well above the 25 metro average of 24%
- Of the 25 metro areas studied, metro Cleveland, Pittsburgh and Detroit experienced the slowest economic growth and among the smallest increases in immigrant share of the labor force between 1990 and 2006. Metro Philadelphia experienced greater economic growth and growth in immigrant population during that time period than Cleveland, Pittsburgh and Detroit but still lagged the average of the 25 metro areas.

Immigrants Contribute Greatly to Economy

Across the 25 metro areas, immigrant contribution to the economy is robust because immigrants are more likely to be in the working age than their U.S.-born counterparts, and they work in a much wider range of jobs than is often understood. Although immigrants are more likely to be in lower-wage service or blue-collar occupations, a quarter (24%) of immigrants in the 25 areas work in managerial and professional occupations, and another quarter (25%) work in technical, sales, and administrative support. Additionally, immigrants play an important role as entrepreneurs and business owners, accounting for 22% of all proprietors' income in the 25 metro areas.

The report shows that immigrants work in all sectors and in all kinds of jobs. In higher-wage occupations, they often have the same earnings as U.S.-born workers. In service occupations, earnings are low for both immigrants and U.S.-born workers. And, in blue-collar jobs, U.S.-born workers can have respectable earnings in the same occupations where immigrants earn substantially less.

To give the fullest picture of metro areas around the country, the report is based on the 2005-2007 American Community Survey and thus pre-dates the current recession.

The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on tax, budget, and economic public policy issues, particularly issues that affect the quality of life and the economic well being of New York State residents. Learn more:
<http://www.fiscalpolicy.org/>.

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