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# POLICY BRIEF

## A Lifeline to Renewal: The Demographic Impact of Immigration at State and Local Levels

by Rob Paral\*

Immigrant numbers should be taken in the context of native population growth or decline to better understand the impact of immigration.

Many Americans are concerned about the social and economic impacts immigration. Large numbers of immigrants enter the United States each year, and observers wonder how these persons affect the availability of jobs, the cost of government services, and whether their region or neighborhood is becoming overcrowded. Immigration debates at the national level are often about whether federal policies on admissions are adequate and appropriate. But when people talk about immigration at the state and local level they often are concerned about the impact of immigration on local economies and governments. Indeed, while national studies generally find that immigrants pay more in federal taxes than they use in federally funded services, the opposite can be true at the local level, where immigrants may be net users of services because they tend to have children in relatively costly K-12 schools.

All of this raises the question of whether particular states and locales are getting "too many" or "too few" immigrants. There are two ways to consider this. There are states with large numbers of immigrants, and a different set of states where immigration is a major factor in population growth. States with large numbers of immigrants are the so-called "gateway" states: California, New York, Texas, Florida, Illinois, and New Jersey. Most people strongly associate these

states with immigration. States where immigration is a large portion of population growth are a different set and include a large swath of Midwestern states such as Nebraska, Kansas, Ohio, and Pennsylvania that are not normally considered immigration focal points. In these latter states, numbers of immigrants may be relatively small, yet they may have a significant impact due to low growth rates among the native population.

The issues associated with the arrival of large numbers of immigrants are well known: school districts may be unprepared, police and fire departments may need to learn to communicate with new populations, and bilingualism may become prominent. But the issues associated with the question of whether immigration forms a large or small portion of population growth are less discussed. Consider the economic role played by immigrants as workers. In the factories of Chicago, which is losing native population, immigrants are more than one out of four workers, and without their presence those factories might need to move elsewhere to find needed workers. In Atlanta, Georgia, a city to which natives are streaming from places like New York and Philadelphia, the number of service sector jobs has mushroomed in recent years, and immigrants are an important part of the labor force that undergirds that expansion.

In addition, states with low native population growth but rapid immigrant growth may expect greater cultural and linguistic changes than states where these social changes are diluted because so many natives are moving in.

Immigrants moving into a region may or may not cause native-born Americans to leave the area. In the end the question can be of the chicken-or-the-egg type: are natives leaving an area because it is undesirable, while immigrants are moving in because they have different expectations? Or do immigrants "push" out the natives, who flee in the face of competition from the newcomers? Researchers debate whether this kind of push-and-pull mechanism explains why natives have been leaving many metropolitan areas where there is immigrant growth.

## **State-Level Change**

Nationally, immigration accounts for 27.5 percent of overall population growth. Map 1 different illustrates the effects immigration on state population growth over a recent four-year period, 2000-2004. The map ranks states by whether immigration as a factor in population change is greater or less than the overall national average. The map illustrates that states where immigration has a disproportionate demographic impact are largely in the north and include California. However, these states do not include some, such as Florida and Texas, which are commonly described as most affected by immigration when raw numbers are the measure.

Changing growth rates of the native-born population explain the different demographic impacts of immigration. Many northern and Midwestern states, along with California, have low or even negative

growth rates among native populations. Natives from those states are leaving for other places, such as the Northwest or Sunbelt states. Take New York and Texas, for example. In New York, immigrants represent 100 percent of all population growth in recent years (because there is population loss). In native Texas, immigrants represent only 34 percent of population growth. Thus the impact of immigrants is markedly different even though both places acquired large numbers of immigrants. New York received 562,000 immigrants in the 1990-1994 period, while Texas received 558,000.

### **County-Level Change**

The demographic impact of high or low or even negative population growth among the native born, and the effect of high or low immigration, often is felt more acutely at the local level. A state may ameliorate the effect of population loss in some counties by growth in others. The overall pool of taxpayers, for example, may average out at the state level if some counties are losing population while others are gaining. For a county government, however, loss of native population in some local municipalities is less likely to be balanced out by gain in others. Many counties that are losing native population, like Los Angeles County, Cook County in Illinois, and Queens County in New York, are parts of urban areas that are experiencing widespread departures natives.

A loss of native population without replacement by immigrants could put county governments in dire straits. Many governmental costs are relatively fixed and could take years to reduce in light of declining population. For example, county hospitals cannot simply be shut down in the face of population loss, because there may

still be continued need for those health services. More generally, the loss of natives without an inflow of immigrants could lead to insufficient workers being available to support local industries. In the 1990s, Governor Vilsack of Iowa recognized this dilemma when he suggested encouraging immigration to that state as a way of counteracting the ongoing loss of natives. In the central and southern states, the meatpacking industry is an important source of tax revenues and jobs, yet the workforce is predominantly immigrant, a testimony in part to the shortage of native workers.

Map 2 shows those U.S. counties where native population is declining and immigrant population is growing. This map is different than the previous map, which showed immigration as a factor in growth. Map 2 shows immigration as a lifeline; as a factor potentially permitting a county government to maintain a stable population of taxpayers. It reveals that large swaths of the central states, Texas, the Deep South, and parts of the northeast are experiencing native population loss. And for these states, any net additions to their populations have come from immigration. While Map 1 shows that immigration has less demographic impact on some states than might at first be assumed from the large numbers of immigrants coming there (states like Florida and Texas), Map 2 shows that for many counties, immigration is critically important for their future. The map also shows variation within states. At the state level, immigration plays a modest role in overall population growth in Texas. But the picture is quite different at the county level. Population loss in west Texas would be greater than it already is without immigration.

Map 2 also sheds light on one aspect of the question of whether immigrants "push out" natives who leave areas of immigrant influx. If such a phenomenon occurs in the United States, it certainly is not occurring to a great extent in many of the areas highlighted on the map. Regions like the lower Mississippi valley, western Pennsylvania and west Texas are not known for having attractive economies, and it strains credulity to suppose that natives of those regions are departing in reaction to immigration.

#### Conclusion

We have long known that immigration has different impacts in different states. Usually, however, this has been interpreted to mean that places with high immigrant numbers are heavily impacted by immigration, while areas with low numbers are not. However, immigrant numbers should be taken in the context of native population growth to better understand the impact of immigration. A state may have high immigration, but if it has high native population growth, some impacts of immigration are diminished. This fact may not change the attitudes and opinions of persons unhappy about immigration in booming areas of the south and west like North Carolina, Georgia, and Nevada. But the truth is that their immigrant numbers do not translate into the same level of impact as similar numbers in Michigan, Kansas, or New Jersey. In these latter states, the foreign born are proving to be more valuable than ever.

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