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## **IMMIGRANTS AND THE ECONOMY: Immigrant Workers Contribute in Large Metropolitan Areas**

The Fiscal Policy Institute (FPI) recently released a report highlighting the contributions of immigrant workers in the 25 largest metropolitan areas in the U.S. [FPI's report](#) broadens a growing understanding that immigrant workers make important economic contributions to the U.S. and to their local economies. Immigrants are likely to be of prime working age, work in occupations across the economic spectrum, and contribute robustly to economic growth in each of the 25 metropolitan areas studied and in the United States as a whole.

### ***Immigrants live and work in places key to the U.S. economy.***

- FPI studied the top 25 metropolitan areas in the U.S.—which include cities and the economically connected regions around them. The 25 largest metropolitan areas combined comprise 42% of the total population of the country, 66% of all immigrants, and half of the country's total Gross Domestic Product (GDP).
- While immigrants are not as geographically concentrated as in the past, 31% of all immigrants in the U.S. live in three metropolitan areas: New York, Los Angeles, and Miami.

### ***Immigrants are pulling their weight and contributing to our economy.***

- Immigrants are responsible for 20% of economic output and make up 20% of the population in these 25 metropolitan areas combined.
- In each metropolitan area, immigrant economic output matches immigrant share of the population, with slight variation. For example, in the Pittsburgh metropolitan area, immigrants make up 3% of the population and 4% of economic output. In Miami, immigrants make up 37% of the population and 38% of economic output.

### ***Immigration and economic growth go hand-in-hand.***

- Economic growth of metropolitan areas and growth in the immigrant share of the workforce were closely connected. In the period studied, from 1990 to 2006, Phoenix, Dallas, and Houston saw the fastest growth in immigrant share of the labor force and had well above-average economic growth. Phoenix had the fastest economic growth.
- The three metropolitan areas with the slowest economic growth—Cleveland, Pittsburgh, and Detroit—had among the smallest increases in immigrant share of the labor force.

- Growth in immigrant share of the labor force does not preclude growth in overall wages, just as economic growth does not guarantee good conditions of employment, such as rising wages. Whether or not there is strong overall wage growth in a metropolitan area depends primarily on factors other than immigration.

***Immigrants are more likely to be in the labor force, and they work in jobs across the economic spectrum.***

- A large share of the immigrant population is of prime working-age (between 16 and 64), and thus are more likely to be in the labor force than U.S.-born residents of metropolitan areas.
- Immigrants are more likely than U.S.-born workers to work in lower-wage service or blue-collar jobs. In the 25 largest metropolitan areas, 21% of immigrants work in service occupations, while 13% of U.S.-born workers work in service occupations. About 30% of immigrants work in blue-collar occupations, while 17% of U.S.-born workers are in these jobs.
- However, immigrants are also well represented in occupations at the high end of the spectrum. For example, 24% of immigrants work in managerial and professional occupations and 25% of immigrants work in technical, sales, and administrative support occupations. By contrast, 36% and 33% of U.S.-born workers work in those professions, respectively.
- Immigrants are entrepreneurs, too. Immigrants account for 22% of proprietors' earnings in the 25 metropolitan areas, which is slightly higher than their share of the population. In the Pittsburgh, Cincinnati, and Cleveland metropolitan areas, immigrant share of proprietors' income is double the immigrant share of the population.

***Immigrants and U.S.-born workers thrive at the top of the occupational ladder, but face challenges at the bottom.***

- At the high end of the labor market, immigrants earn wages that are comparable to U.S.-born workers in the same occupations. In many occupations, both immigrant and native-born workers earn well above the U.S. median annual earnings (\$38,000).
- In service occupations, all workers—immigrants and U.S.-born—are having trouble making ends meet, and the challenge is raising wages and working conditions for all workers.
- For blue-collar workers the picture is mixed. In some blue-collar occupations, both immigrants and U.S.-born workers have low annual earnings. But some blue-collar jobs pay above the median for U.S.-born workers but not for immigrants. In the skilled construction trades, for example, in the 25 metropolitan areas combined, the annual median earnings for U.S.-born workers is \$45,000, while it is just \$27,000 for immigrant workers.

To view the report in its entirety visit <http://www.fiscalpolicy.org/immigration.html>.