

Immigrant Inclusion: Good for Families, Communities, and the Economy



This is one of a series of issue briefs dedicated to helping community leaders and policymakers bolster their campaigns and strategies with the economic case for equity. The issue briefs correspond with the 13 planks of the Marguerite Casey Foundation's [Equal Voice National Family Platform](#). Additional issue briefs can be found at www.policylink.org/focus-areas/equitable-economy.

PolicyLink is a national research and action institute advancing economic and social equity by **Lifting Up What Works**®.

Marguerite Casey Foundation exists to help low-income families strengthen their voice and mobilize their communities in order to achieve a more just and equitable society for all.

Overview

The face of America is changing: more than half of Americans under age five are of color, and by 2044 we will be a majority people-of-color nation. But while communities of color are driving growth and becoming a larger share of the population, inequality is on the rise and racial inequities remain wide and persistent. Dismantling racial barriers and ensuring that everyone can participate and reach their full potential are critical for the nation's prosperity. Equity—just and fair inclusion of all—is essential to growing a strong economy and building vibrant and resilient communities. This issue brief describes how immigrant inclusion can benefit families, communities, and the economy.

Why Immigrant Inclusion Matters

America has more immigrants than any other nation, and they have long enriched our communities culturally, socially, and economically. Today, there are 40 million immigrants living in the United States—13 percent of our total population—and this share is rising. Including children of immigrants, a total of 80 million first- and second-generation immigrants live in our communities.¹

While most immigrants are legally authorized to live here, about 11 million immigrant residents lack authorization but would prefer to be here legally if possible.² The majority of undocumented immigrants (six out of every 10) are well-established community members who have lived in the United States for more than a decade.³

Nearly all economists agree that immigrants—including those who are undocumented—provide a net positive value in our economy. They are a large and growing share of our workforce, entrepreneurs, employers, consumers, and taxpayers, and they will only become more important as baby boomers begin to retire. New immigrant communities are also revitalizing long-distressed neighborhoods and commercial corridors.⁴

Despite their many contributions, immigrants face barriers to fully participating and thriving in their communities and the economy. Undocumented workers, in particular, earn lower wages because of their immigration status and are vulnerable to myriad abuses ranging from harassment to wage theft and threats of deportation. These barriers hurt immigrants and their families and impose costs on our economy and democracy. Ensuring that immigrants are able to manifest their economic potential is both the right thing to do and a smart economic strategy.

Immigrant Inclusion: By the Numbers

1 of every 8

The portion of the U.S. population who are foreign-born

159,000

New jobs that could be created every year by ensuring a pathway to citizenship for undocumented immigrants

\$1.4 trillion

Additional GDP that could be generated over 10 years if undocumented immigrants become citizens

8-11%

Earnings increase to immigrants who gain legal status

Sources: [Center for American Progress](#); [Center for the Study of Immigrant Integration](#); [Center for American Progress](#)

The Economic Benefits of Immigrant Inclusion

Fully including immigrants in social and economic life would have many positive economic impacts.

- **Business development.** Immigrants have always had high rates of entrepreneurship and they are twice as likely to start a business as non-immigrants.⁵ In 2011, immigrants made up 13 percent of the U.S. population but started 28 percent of all new businesses. And between 1996 and 2011, the rate at which immigrants started new businesses increased by 50 percent.⁶
- **Job creation.** In 2007, immigrant-owned small businesses employed roughly 4.7 million people and generated over \$776 billion in revenue.⁷ Fifty-seven percent of small businesses owned by immigrants employ at least one paid employee in addition to the owner.⁸ In addition, studies have shown that the 40 million immigrants living in the United States have created or preserved 1.8 million manufacturing jobs—more than one in seven such jobs nationwide.⁹ Economists estimate that creating a pathway to citizenship for undocumented immigrants would create an estimated 159,000 new jobs annually.¹⁰
- **Community revitalization.** Flourishing immigrant communities can revitalize commercial corridors and towns that have long been abandoned. Worthington, Minnesota, saw its population decline to below 10,000 residents before an influx of primarily Latino immigrants from Mexico helped the community grow and become more diverse.¹¹ In the last 10 years, Worthington's population grew by 11 percent and the new residents helped revitalize the town as they have established roots, purchased homes, and built lives in their new communities.¹² Nationally, research shows that immigrants boost the total housing values of the communities they move into by an average of \$92,800.¹³
- **Increased economic activity.** Making it possible for undocumented immigrants to become citizens would add an estimated \$1.4 trillion to the national economy over the next 10 years due to increased workforce participation; increased consumer power; and contributions to local, state, and federal taxes.¹⁴
- **Increased revenue.** If today's unauthorized immigrants were able to gain citizenship, they would earn 25 percent higher incomes within five years and contribute significantly more to federal, state, and local taxes: an estimated \$116 billion in federal taxes and \$68 billion in state and local taxes over 10 years.¹⁵
- **Higher wages for all.** A recent study revealed how immigrant inclusion creates tangible economic benefits for all workers by measurably increasing their wages. Increases in workplace diversity correlated to 1.6 percent greater wages, while proportionate increases in city-level diversity boosted wages by 6 percent.¹⁶ The places most accepting of immigrants saw even higher wage growth.

Key Challenges to Immigrant Inclusion

There are several key challenges to fully including immigrants in our communities and economy.

- **Organized political opposition.** While polls consistently show that most Americans favor creating a pathway to citizenship for undocumented immigrants, there is also a strong, organized, and enraged opposition.¹⁷ Unauthorized immigrants are often demonized in public and political discourse, making it difficult to have constructive dialogue on potential solutions. Congressional gridlock doomed the chances of immigration reform in 2014 and both parties seem to accept that reform is unlikely in the near future.¹⁸
- **Complex legal framework.** America's immigration system is complex and confusing. The number of annual permanent immigrant admissions is capped at 675,000.¹⁹ This cap was set by Congress in 1990 and does not reflect changes in workforce needs and demands for family unification over the past two decades.²⁰ Reunifying families, admitting highly skilled workers, protecting refugees, and promoting diversity are key principles of the U.S. immigration system, and it uses complicated calculations and requirements to determine quotas within these broad categories.²¹ Although many employers rely on low-skilled immigrant workers, these workers have few opportunities to achieve citizenship in the current system.
- **Extreme vulnerability.** The fear caused by an unauthorized legal status means many immigrants live their lives “in the shadows” with no protection, leaving them vulnerable to fraud, extortion, employment abuse, and other dangers.²² Many states have passed harsh anti-immigrant laws that allow employers to withhold earnings and fail to pay legally mandated overtime. Unauthorized workers also pay into federal, state, and local tax bases but do not receive benefits like Social Security, Medicaid, or Medicare.²³ Studies show that unauthorized workers pay more in state taxes than they receive in state services.²⁴

Strategies for Immigrant Inclusion

While comprehensive immigration reform at the federal level is critical, there are many actions that states and cities can take to support and integrate their immigrant residents.

- **Adopt state-level DREAM acts.** Nationally, there are roughly 2.1 million undocumented youth who were brought to the United States as children. Access to in-state tuition provides them with a better chance of getting a college degree and boosts their future earnings potential. At least 18 states have passed laws permitting undocumented students who meet certain criteria to pay the same tuition at public colleges as their classmates. Higher education boards in Rhode Island, the University of Hawaii, and the University of Michigan have adopted similar policies to provide access to in-state tuition to certain students, regardless of their immigration status.²⁵
- **Create immigrant inclusion policies.** Many states and localities see immigrants as an integral part of their communities and economies, and have adopted policies to facilitate their integration, such as the following.
 - **Provide access to driver's licenses or municipal ID cards regardless of immigration status.** Municipal IDs enable undocumented residents to do everything from opening bank accounts to interacting with their children's schools.
 - **Limit the participation of local law enforcement with Immigration and Customs Enforcement.** Localities can enact policies that prevent law enforcement officers from asking people who have not been arrested about their immigration status. Some 70 cities and states have such laws on the books. These policies keep communities safer by allowing crime victims and witnesses to work with police without fear of federal immigration authorities.
 - **Pass language-access policies.** About half of immigrants living in the United States have limited English language proficiency.²⁷ Requiring agencies to provide interpretation and translation services for English language learners can increase access to and use of their programs and resources.²⁸
 - **Facilitate naturalization.** There are 8.8 million legal permanent residents living in the United States who are eligible for citizenship, but high costs, lack of English proficiency, and lack of knowledge about the process hinder many from attaining citizenship. Cities can help these residents go through this challenging process by providing financial and technical assistance and widely publicizing these services.²⁹ Naturalization would provide access to better paying jobs, academic scholarships, and other benefits.

- **Roll back regressive state and local immigration laws.**

Beginning with Arizona’s SB1070 passed in 2010, states have passed a series of harsh anti-immigrant policies intended to drive out undocumented immigrants. These laws not only disrupt people’s lives, they hinder local and state economies as well by reducing tax revenues, slowing job creation, and discouraging labor force participation.³⁰ Communities can roll back these laws. In 2013, Colorado repealed a law

requiring state officials to report individuals who they suspected to be unauthorized to federal authorities.³¹ Local law enforcers were on board with the repeal, which was part of a legislative shift on immigration that included a state DREAM Act.³²

Equitable Growth in Action

Ensure Immigrants Can Access Services

For many Americans, the ability to provide proof of identity is taken for granted. For undocumented residents, such proof impacts nearly every aspect of their lives. A valid photo ID lets people open bank accounts, enter into their children’s public school buildings, and establish identity when interacting with law enforcement. Municipal IDs can provide the necessary proof of identity or residency necessary for essential services. Several cities already offer their own municipal IDs, including Los Angeles, New Haven, San Francisco, Oakland, and Washington, DC.

The New Haven, Connecticut, program is an example of success. Without proper ID, undocumented workers were unable to open bank accounts. As a result, they became frequent targets of theft because it was widely believed that they stored large amounts of cash either at home or on their person. New Haven launched a municipal ID initiative in 2007. In just five months, the city issued more than 5,000 ID cards. By 2012, 10,000 residents had ID cards. Moreover, the resident card helped foster a sense of belonging and improved relationships between immigrants and law enforcement. It also strengthened the city economically, and the business corridor in the heart of the immigrant-rich Fair Haven neighborhood is thriving.



Sources: [The Center for Popular Democracy](#); [City of Richmond, California](#); [New Haven Independent](#); [The Center for Popular Democracy](#)

Learn More

- [American Immigration Council](#) Policy research related to immigration and immigrant integration.
- [Cities for Citizenship](#) National initiative to increase citizenship among eligible permanent residents.
- [Center for Popular Democracy](#) Supporting campaigns to advance immigrant rights.
- [Center for Community Change](#) Connecting immigrant rights to the cause of economic and social equity.
- [Language Access](#) Overview of the local strategies to provide translation, interpretation, and other language services to residents with limited English proficiency. (Local Progress)

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Photo credit: Photo courtesy of Next City/Sarah Kramer.

Notes

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