

Economic and Fiscal Contributions of International Immigrants in the State of Kansas

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Executive Summary

This is a study of the economic and fiscal contributions of international immigrants in the state of Kansas. The study concludes that immigrants are an integral part of the Kansas economy. Substantially reducing the number of foreign born individuals who have jobs in the state of Kansas would have negative consequences for native employment and income as well as causing a significant deterioration of the state's fiscal situation. Other major findings are:

- International immigration is responsible for almost all of the recent population growth of the state of Kansas.
- The international immigration process in Kansas is selective of young males from Mexico and Central America.
- Unauthorized immigration has slowed in recent years.
- There is a large concentration of immigrants residing in southwestern Kansas. Without this population, the agribusiness of southwestern Kansas would have difficulty recruiting labor. The other geographic concentration of the immigrant population is in large cities.
- Immigrants are more likely to have jobs than non-immigrants.
- Immigrants are overrepresented in the construction and manufacturing (meat packing) industries.
- Immigrants are overrepresented in both the highest skilled occupations and the lowest skilled occupations, and they are concentrated at both extremes of the spectrum of educational attainment.
- The linkages of immigrant jobs with the rest of the Kansas economy are such that an immigrant job creates almost one additional job.
- Immigrants pay slightly more state and local taxes per capita than do non-immigrants. Immigrants from Mexico and Central America pay slightly less, and unauthorized immigrants pay about 75% of non-immigrant per capita state and local taxes.
- Each dollar of state and local tax revenue generated by the average immigrant job results in more than an additional dollar of state and local taxes.
- The cost of educating native children of immigrants in the K-12 public school system is much larger than the cost of educating immigrant children.
- Immigrants more than pay for the state services they use with the state and local taxes they generate directly.
- Unauthorized immigrants pay for the state services they use with the tax revenue their jobs generate directly.

Center for Economic Information

Kansas City, January 10, 2013

Economic Impact Study Highlights and Talking Points

Immigrants CONTRIBUTE to the Kansas Economy and Taxes

- Total contribution of Immigrants to State and Local Revenue is \$11.6 billion
- 2009 state & local tax collections directly attributable to all immigrants account for an estimated 6.46% of state and local tax revenue collections or \$4,180 per capita, which is slightly higher than the \$4,124 paid by natives
- \$3,057 is paid per capita by unauthorized immigrants
- Immigration is directly responsible for 7% to 8% of the Kansas Economy and indirectly between 12.8% and 14.4%
- For every immigrant job in Kansas an additional .828 of a job is created in the Kansas economy
- For every dollar of value added by Kansas immigrants, an additional \$0.83 of value added is to the Kansas economy
- Immigrants drive additional \$1.4 billion revenue to the Kansas real estate market, \$852 million in construction and \$589 million in food services.

Immigrants are a VITAL COMPONENT of the Kansas Workforce

- Majority of the Kansas population growth since 1990 is due to immigration and immigrants in Kansas are more likely to be in their prime working years and likely to hold jobs
- Immigrants do not take jobs from Natives. In 2009, the unemployment rate among Kansas non-immigrants was 4.4%. It is estimated that 39,546 jobs were held by unauthorized immigrants in the state of Kansas in 2009. If every unemployed non-immigrant were to take a job currently held by an immigrant, there would still be almost 50,000 jobs not taken. With the aging population of the Native population, the long term will likely require immigrants make up a larger proportion of the labor force.
- Top Ten Immigration sensitive industries for ALL immigrants:
 1. Food services & drinking places
 2. Construction
 3. Administrative support services
 4. Professional, scientific & technical services
 5. Educational services
 6. Food products
 7. Wholesale trade
 8. Government & non NAICs
 9. Ambulatory health care
 10. Livestock

Immigrants DO NOT cost

- Considering the dollar amount of taxes all immigrants (including unauthorized) generate within Kansas (\$1.6 billion in direct and indirect revenue contributions), more than makes up for the amount of dollars spent on them for social services, including K-12 education, higher education, and transportation. It is estimated that the state spends \$525 million on all 44,762 children who are immigrant and those who are born to immigrant parents in Kansas.
- The cost of health services is more difficult to measure but an estimate for health care costs for authorized immigrants is \$35 million. There is no estimate for unauthorized immigrants.
- Of the \$748 million all immigrants generate in state and local taxes, 57% is spent on education, health care services, higher education services, and transportation services.



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Real data to measure legal, illegal immigration

By MARY SANCHEZ
The Kansas City Star

In early 2009, economic researchers from three of the region's largest universities joined forces to answer a question that befuddles politicians, voters and business owners alike.

Economic boon or burden, what is the impact of legal and illegal immigration to Missouri and Kansas?

Too often, the reply is backed by emotion, not facts.

Now we have two studies — one for Kansas and one for Missouri. Both will be released at noon Tuesday at the Greater Kansas City Chamber of Commerce boardroom at Union Station.

"Having well-reasoned, fact-based information can help," said Ramon Murguia, a Kansas City attorney who helped initiate the project as chairman of the advisory board of the Hispanic Development Fund, an affiliate of the Greater Kansas City Community Foundation. The foundation commissioned the studies.

The information is highly detailed, sliced and diced into many categories and based on economic assessments for differing industries. It is not for people looking for simple answers.

However, some findings and conclusions might be surprising — the wide of range of originating countries in Missouri, industries that would have trouble filling jobs without immigrant labor and the conclusion that in both states, undocumented immigrants pay for the state services they use with the tax revenue directly generated by their jobs.

The economists also are forthcoming on the limits of the data, and how each state differs and mimics national trends.

Those who seek to understand immigrant populations from a variety of measures will welcome the information. The studies look at direct, indirect and induced effects of various immigrant categories in relation to unemployment, jobs, poverty levels, education costs, and federal, state and local taxes generated — and what would happen if the immigrants weren't present.

And yes, a special emphasis is given to undocumented people, as they are the focus of much legislative action and public interest.

When the project began, its organizers couldn't have fathomed that the release of their findings would coincide with a federal push to overhaul immigration law. And unlike congressional attempts in recent years, this one shows promise for changes to current systems.

The so-called Gang of Eight, a bipartisan group of U.S. senators, have drafted an outline of what they hope to accomplish. Hopes are high.

Which makes it even more imperative that people have accurate information to form views.

"What makes economies vital in my point of view is people with different skills and mindsets," Murguia said. "We see what happens when that occurs. It has always been the American experience."

The research projects were led by Peter Eaton of the University of Missouri-Kansas City, along with John C. Leatherman, a professor of agricultural economics at Kansas State University, and Joshua L. Rosenbloom, a professor of economics at the University of Kansas. Eaton, also an economics professor, is the director of UMKC's Center for Economic Information.

The economists looked only at first-generation immigrants and broke much of the data into categories of all immigrants, immigrants from Mexico and Central America and those who are undocumented. In many cases, they compared those groups — the jobs they hold, their education level and taxes paid — with native-born people.

The reports show marked differences between Kansas and Missouri, and some similarities.

In Missouri, immigrants as a whole pay slightly less state and local taxes per capita than do non-immigrants. In Kansas, immigrants pay slightly more in local and state taxes.

In Kansas, immigration is directly responsible for 7 to 8 percent of the economy. The percentages rise to 12.8 percent to 14.4 percent when indirect and induced effects are included.

For Missouri, the figures are 4 percent of the economy directly and 7.6 to 8.8 percent in the broader category.

Every job held by an immigrant, on average, equates to nearly one additional job created in Kansas and more than one job in Missouri.

Immigrants are responsible for almost all of the recent population growth in both states. In other words, both Missouri and Kansas might be losing population if not for immigrants. And the people arriving are primarily young men.

The immigrant men coming to Missouri are far more representative of the globe, arriving from many countries.

Missouri saw more immigrants arriving from Asian countries in 2010 than it did from Mexico and Central America. And there were nearly as many first-generation immigrants coming from Europe as from Mexico and Central America.

In Kansas, the migrants are primarily young men from Mexico or a Central American country.

In Kansas, the arrival of illegal immigrants has slowed in recent years, following a national trend. The opposite is true in Missouri.

Work, long the draw for generations of immigrants, still leads as a driving factor.

In both states, immigrants are overrepresented as highly skilled workers and as the lowest skilled. They tend to be concentrated at both ends of the spectrum, separated by education attainment levels when compared with native-born people. In Missouri, physician and computer software programmer are among the top occupations for immigrant men.

Yet the costs of educating U.S.-born children of immigrants, kindergarten to 12th grade in public schools, is much larger than the cost of educating immigrant children in general.

Also true in both states, each dollar of state and local tax revenue generated by the average immigrant job results in more than an additional dollar of state and local taxes, the studies concluded.

Yet for all the attention given to the topic, immigrants remain a relatively small portion of both states.

They were 3.9 percent of the population in Missouri in 2010. A little less than one quarter were from Mexico or Central America.

For Kansas, immigrants were 6.4 percent of the population in 2010. And over half of them were from Mexico or Central America.

Some of the state-to-state differences can be attributed to refugee populations and what type of businesses are drawing these laborers.

Murguía is highly aware that concerns about undocumented immigration is what pushes lawmakers to act. Yet too often, the understanding that new laws also negatively affect legal immigrants from all countries is discounted.

As an example, he points to efforts to make driver's license information and tests English-only. Foreign students, consul officials and people with highly technical skills in the states on work visas are affected as well. Broader understandings of those categories of immigrants can be found within the data.

"We wanted to get hard facts out for these legislators to consider when they are looking at these potential laws that will impact immigrants," Murguia said.

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