



News from the Fiscal Policy Institute

For immediate release: November 17, 2010

Contact: David Dyssegaard Kallick
Director of Fiscal Policy Institute's Immigration Research Initiative
212-721-7164 (desk), 646-284-1240 (mobile)

New report: <http://www.fiscalspolicy.org/immigration.html>.

Major New Report: Long Island Economy Absorbing Immigrants with Many Gains and Few Negative Impacts

A major new study released today by the Fiscal Policy Institute shows that immigrants make important contributions to the Long Island economy, with little evidence that the growing presence of immigrant workers has a negative impact on U.S.-born workers. The report will be released today at 2:00 pm at a public forum at Hofstra University, with commentary by Long Island business and civic leaders.

“Immigrants have become a very important part of the Long Island economy, says David Dyssegaard Kallick, director of the Immigration Research Initiative of the Fiscal Policy Institute. “This analysis shows just how wide and deep their economic role is, and how surprisingly few negative impacts there have been on U.S.-born workers.”

The report is a look in-depth look at the economic and labor market roles of immigration in a relatively affluent suburban area, during a period when immigration was increasingly not just going to cities but also directly to suburbs.

The study looks at the long-term outcomes for U.S.-born residents as immigrants have come into the Long Island economy. The analysis examines three similar points in the business cycle—the economic peaks of 1990, 2000, and 2007 (using data from 2005/07).

Among the findings in this 40-page study are:

- Immigrants are more likely to be in white-collar jobs than in blue-collar, service, and farming jobs combined; 53 percent of the 293,000 immigrant workers on Long Island work in white-collar jobs.

- Immigrants are pulling their weight in the economy. Immigrants make up 16 percent of the population and are responsible for 18 percent of economic output, giving them an Immigrant Economic Contribution Index of 1.10, higher than in most of the 25 largest metro areas in the United States.
- Immigrants also start businesses. Immigrants account for 20 percent of proprietors' income, right in line with their 21 percent share of the labor force. Immigrant entrepreneurship is one common perception that holds true.
- Peak-to-peak unemployment levels for U.S.-born workers overall stayed the same or declined as immigrants entered the economy in substantial numbers. The immigrant share of the labor force nearly doubled, from 12 to 21 percent, between 1990 and 2005/07, yet U.S.-born unemployment rates returned at the 2007 peak to the same level as 1990 or lower for nearly all groups.
- The group for whom the report shows consistent reason for concern is African American men without any college experience. For U.S.-born black men overall, the unemployment rate was flat. But for U.S.-born black men with high school or less, the unemployment rate increased from 6.2 in 1990 to 7.8 percent in 2005/07.
- Tempering this finding is the fact that workers across the board, and black men in particular, are improving their level of educational attainment. The share of U.S.-born black men in the labor force who did not attend high school dropped from 14 percent in 1990 to 6 percent in 2005/07. The share of U.S.-born black men with at least some college increased from 45 to 60 percent. That is a considerably faster rate of improvement in educational attainment for African-American men on Long Island than for African-American men in the United States as a whole.
- Long Island started with annual median wages for full-time workers that were well above the national average in 1990, and increased that differential over the next two economic peaks, as immigration increased. Median annual earnings on Long Island were \$52,000 for resident full-time workers in 2005/07, compared to \$38,000 for the United States as a whole. The Long Island median wage increased by 13 percent in inflation-adjusted terms, compared to an increase of just 6 percent statewide and 9 percent in the nation. The median for U.S.-born workers increased by 17 percent, although by far the fastest growth on Long Island, as in the country, was for top earners. The top 3 percent of Long Island workers saw a 32 percent gain in wages. Immigrant wages, however, were stagnant on Long Island through this period, with the foreign-born median annual wage dropping by 1 percent.

“Factors such as the steep decline in manufacturing jobs on Long Island very likely played a big part in the erosion in the economic position of less educated U.S.-born workers,” said James Parrott, chief economist of the Fiscal Policy Institute. “Rather than blame immigrants, we need to implement economic policies that improve the quality of jobs for native-born and immigrant workers alike.”

“The Fiscal Policy Institute’s seminal study provides the first comprehensive analysis of the role of immigrants in Long Island’s labor market,” said Pearl Kamer. “Its findings clearly debunk the myth that recent immigrants are a drain on the Long Island labor market. In fact, immigrants are well represented in managerial and professional occupations on Long Island and are complementing rather than displacing U.S.-born workers.”

Because of the nature of Census data, the report looks at all foreign-born workers together, regardless of legal status. But if there were significant negative impacts of undocumented immigration this methodology would show them, since much of the analysis focuses on U.S.-born workers.

“This report proves, once again, that diversity is the key to our economic survival,” said Lawrence Levy, Executive Dean of the National Center for Suburban Studies at Hofstra University, which is co-sponsoring the conference. “For the sake of social and economic equity, however, it’s also clear that we must address even the minimal dislocation being experienced by African-American males.”

Gregory DeFreitas, Professor of Economics and Director of the Center for the Study of Labor and Democracy at Hofstra University, also co-sponsoring the conference, noted that “Long Island’s growing immigrant workforce has sparked passionate—though often fact-free—public debate about the effects on local jobs, incomes and economic activity. This new empirical study makes a timely and welcome contribution to rational evaluation of immigration’s net benefits for the native-born and foreign-born alike.”

The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. FPI’s Immigration Research Initiative looks at immigration issues in New York State, and around the country.

*The Center for the Study of Labor and Democracy (www.hofstra.edu/cld) is a non-profit research institute that aims to expand public understanding and discussion of important issues facing working people. CLD pursues a distinctive interdisciplinary research approach designed to produce policy-relevant studies of labor problems and institutions at the local, national, and international levels. The Center conducts original research, designs and implements surveys, organizes lectures, workshops, seminars and conferences, hosts visiting scholars and publishes periodic reports, working papers and a journal, *Regional Labor Review*.*

The National Center for Suburban Studies at Hofstra University (www.hofstra.edu/ncss) is a non-partisan research institution dedicated to promoting objective, academically rigorous study of suburbia’s problems and promise. Rooted in the laboratory of Long Island’s diverse and aging suburbs, the National Center studies a broad range of local and national issues. The suburbs have emerged as the nexus of dynamic demographic, social, economic and environmental change. The tasks of identifying, analyzing and solving the problems of suburbia are key to the health of the country—and central to the Center’s mission.