

IMMIGRATION **and** **the** REVIVAL **of** AMERICAN CITIES

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The main message

- Immigration contributes to the vitality of American communities in several ways.
 - Boosting demand for locally-produced goods and services – including housing.
 - Changing the decision calculus for firms that have the option to relocate production abroad.
 - Civic contributions: stabilizing neighborhoods, serving communities.

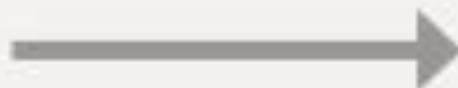
The virtuous cycle



Stage 1: immigration and economic opportunity

- Conventional wisdom: immigrants “take” American jobs.
- Assumption underlying conventional wisdom: there is a fixed number of American jobs to be had.
- Problems with that assumption:
 - American jobs can – and have been – relocated overseas.
 - In many industries, the amount of work to be done depends on the size of the population served.

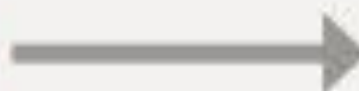
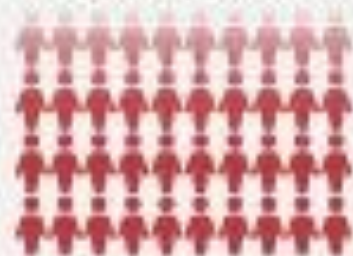
WHEN 1,000
IMMIGRANTS MOVE
TO A COUNTY



46 MANUFACTURING
JOBS ARE CREATED
OR PRESERVED



THAT MEANS THE 40
million IMMIGRANTS
CURRENTLY IN THE U.S.



HAVE CREATED OR PRESERVED
1.8 million MANUFACTURING
JOBS NATIONALLY



THIS REPRESENTS MORE THAN 1 IN 7
MANUFACTURING JOBS REMAINING IN AMERICA



Table 1:

**MANUFACTURING AND IMMIGRATION
IN LOS ANGELES AND CHICAGO**

	Manufacturing employment		Percent change in employment	Foreign-born population		% change in foreign-born population
	1970	2010	1970-2010	1970	2010	1970-2010
Los Angeles County	824,507	406,878	-51%	793,209	3.5 million	+341%
Cook County (Chicago)	802,763	202,540	-75%	500,742	1.1 million	+120%

Table 2:

THE TOP FIVE U.S. COUNTIES WITH THE MOST MANUFACTURING GROWTH, 1970-2010

	Manufacturing employment		Job increase	Number of mfg. jobs attributable to immigration, 2010
	1970	2010		
Harris County, TX	136,915	180,214	43,299	45,000
Maricopa County, AZ	73,273	114,091	40,818	27,000
Orange County, CA	124,056	162,207	38,151	42,000
San Diego County, CA	67,817	102,820	35,003	32,000
Santa Clara County, CA	124,982	157,457	32,475	7,200

Outside the manufacturing sector

- Service sector: number of jobs increases with population.
 - Retail
 - Health care
 - Education
- Construction/consumer durables: number of jobs depends on population growth rate.
- Job creation: the rate of self-employment among immigrants is 3x the rate for natives.

Stage 2: Attracting natives

- In a zero-sum world, the arrival of immigrants would drive natives away.
- In reality, the arrival of 1,000 new immigrants is associated with an increase in the native-born population.
 - +150 attributable to childbearing by immigrants.
 - +270 attributable to the arrival of more natives.

Stage 3: The Housing Market

- A positive impact of immigration on housing prices is a simple story of supply and demand.
- Where is the positive impact being felt? Is immigration exacerbating affordability problems?

WHEN
1 IMMIGRANT
MOVES TO A
COMMUNITY



THE PRICE OF
THE AVERAGE
HOME INCREASES
BY 11.6 CENTS



BECAUSE THE AVERAGE
IMMIGRANT LIVES IN
A COMMUNITY WITH
800,000 HOUSING UNITS



THE TOTAL AMOUNT OF
HOUSING WEALTH IN
THE COUNTY INCREASES
BY **\$92,800**



THAT
\$92,800
IN WEALTH



X

THE MORE THAN **40 million**
IMMIGRANTS CURRENTLY
IN THE UNITED STATES



=

\$3.7 trillion IN
HOUSING VALUE
GAINS NATIONWIDE



Table 3:

COUNTIES WHERE IMMIGRATION HAD THE LARGEST IMPACT ON HOUSING VALUES, 2000-2010

County	Value added by immigration to the price of the average home
Harris County, TX	\$26,700
Riverside County, CA	\$20,600
Clark County, NV	\$19,700
Maricopa County, AZ	\$18,000
Broward County, FL	\$14,500
San Bernardino County, CA	\$13,200
King County, WA	\$12,100
Miami-Dade County, FL	\$11,700
Gwinnett County, GA	\$11,400
Palm Beach County, FL	\$10,700

Table 4:

COUNTIES WHERE IMMIGRATION HAD THE LARGEST PERCENT IMPACT ON HOUSING VALUES, 2000-2010

County	Impact of immigration as a percent of 2010 median value	2010 median value
Harris County, TX	20%	\$131,700
Clark County, NV	7.7%	\$257,300
Tarrant County, TX	7.5%	\$134,900
Maricopa County, AZ	7.5%	\$238,600
Hidalgo County, TX	7.5%	\$73,000
Riverside County, CA	6.3%	\$325,300
Dallas County, TX	6.3%	\$129,700
Gwinnett County, GA	5.9%	\$194,200
Broward County, FL	5.9%	\$247,500
Bexar County, TX	5.6%	\$117,100

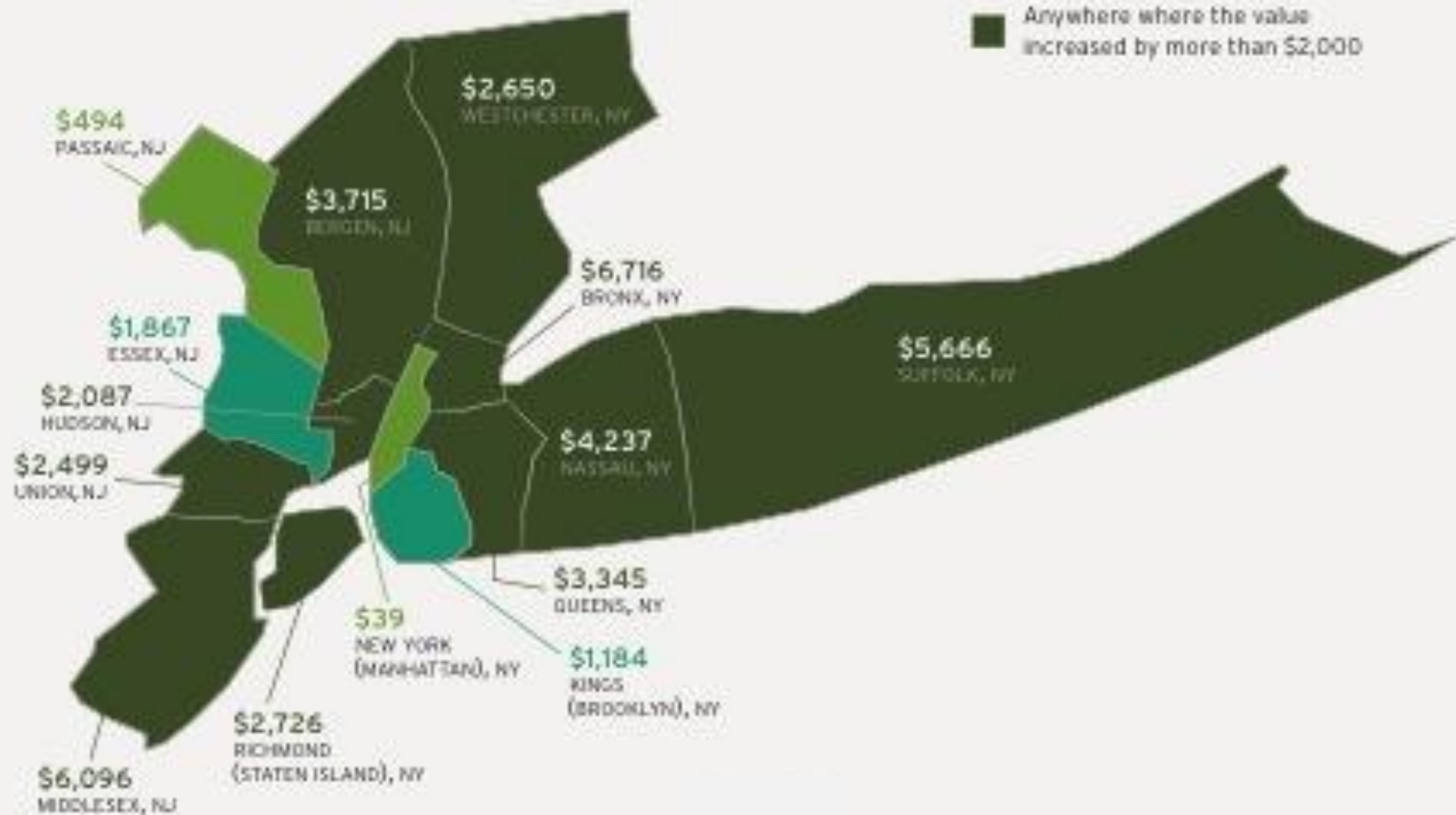
Table 5:

**IMPACT OF IMMIGRATION ON THE
10 MOST-EXPENSIVE U.S. COUNTIES, 2000-2010**

County	Value added by immigration to the price of the average home
Dukes County, MA	\$93
Marin County, CA	\$660
Nantucket County, MA	\$84
New York County (Manhattan), NY	-\$39
Pitkin County, CO	\$51
San Francisco City/County, CA	-\$517
San Mateo County, CA	\$1,300
Santa Clara County, CA	\$8,100
Santa Cruz County, CA	\$87
Teton County, WY	\$93

Figure 3:
THE EFFECT OF IMMIGRATION ON MEDIAN
HOME VALUE IN COUNTIES IN THE NEW YORK
CITY METROPOLITAN AREA (2000-2010)

- The value of the average house increased by less than \$1,000
- The value increased by \$1,000-\$2,000
- Anywhere where the value increased by more than \$2,000



NYC Narratives

- NYC prospers in the era of legal immigration (through 1920).
- Restricted immigration era (1920-1965)
 - African-American migration 1920s, early 1960s.
 - Puerto Rican migration 1940s, 1950s.
 - Population stagnation and decline towards the end of the period – 1975 fiscal crisis accompanies.
- New era of immigration (1965-present)
 - Native-born population of NYC continues to decline.
 - Immigration leads to new population highs.
 - Quality of life indicators improve – crime rate.

NYC Narratives

- **Morrisania, the Bronx**
 - Hard-hit area in the crisis years. Population declines, rampant drug abuse/HIV infection, high crime as recently as 1990.
 - Now the fastest growing neighborhood in the borough, 16,000 immigrants from the Caribbean, Africa.
- **Canarsie, Brooklyn**
 - White flight in the 1990s.
 - Population trends reversed by Caribbean immigration; neighborhood has both lower real estate costs and lower poverty than the city average.

Figure 4:
THE EFFECT OF IMMIGRATION
ON MEDIAN HOME VALUE IN
COUNTIES IN THE SAN FRANCISCO
METROPOLITAN AREA (2000-2010)



Figure 5:
THE EFFECT OF IMMIGRATION
ON MEDIAN HOME VALUE IN
COUNTIES IN THE WASHINGTON DC
METROPOLITAN AREA (2000-2010)



Implications for reform proposals

- For 11 million undocumented immigrants, the difference between finding a way to keep them and sending them home:
 - 500,000 manufacturing jobs
 - More than \$1 trillion in housing wealth.
- Expanding legal inflows by 100,000 per year:
 - 4,600 manufacturing jobs per year.
 - \$80 billion in housing wealth per year.

Housing data for 3,000+ counties

<http://www.as-coa.org/interactive-impact-immigration-housing-market>