

June 2012

**STRENGTH IN DIVERSITY:
The Economic and Political Power of Immigrants, Latinos, and Asians in the U.S.**

Immigrants, Latinos, and Asians constitute large and growing shares of the U.S. workforce, tax base, business community, and electorate. Immigrants (the foreign-born) account for one out of every eight people in the United States, and one out of every seven workers. More than one-third of immigrants are naturalized U.S. citizens who are eligible to vote. “New Americans”—immigrants and the children of immigrants—account for one in ten registered voters. Immigrants are nearly one-fifth of all small business owners in the country, and the businesses they own employed 4.7 million people in 2007. In addition, nearly one-fifth of all Fortune 500 companies had at least one immigrant founder as of 2010, and these companies employed 3.6 million people worldwide. However, the Latino and Asian communities also are making a powerful demographic and economic impact on U.S. society. In fact, one out of every five people in the country is Latino or Asian. Together, Latinos and Asians (both foreign-born and native-born) wield \$1.5 trillion in consumer purchasing power, and the businesses they owned employed 4.7 million workers in 2007. Immigrant, Latino, and Asian workers, taxpayers, and entrepreneurs are integral to the U.S. economy—and they are a potent electoral force.

1 in 8 people in the United States is an immigrant.

- The foreign-born share of the U.S. population rose from 7.9% in [1990](#),¹ to 11.1% in [2000](#),² to 12.5% in [2010](#),³ according to the U.S. Census Bureau. The United States was home to nearly 40 million immigrants in 2010, which is more than the total population of [California](#).⁴
 - Just under one-third (29.3%) of the foreign-born population came from Mexico as of [2010](#), while more than one-quarter (25.9%) came from the countries of South and East Asia—followed by nations of the Caribbean (9.3%), Central America (7.6%), and South America (6.8%), according to the U.S. Census Bureau.⁵
 - Approximately 37% of the foreign-born were naturalized U.S. citizens, 31% were Legal Permanent Residents, 28% were unauthorized, and 4% were legal temporary migrants in [2010](#).⁶
 - There were 4.5 million native-born, U.S.-citizen children with at least one parent who was an unauthorized immigrant in 2010, according to the [Pew Hispanic Center](#).

- 22.7% of all children in the United States (16.8 million) had parents who were immigrants as of 2009, according to the [Urban Institute](#).⁷ Of these children, 43.6% (7.3 million) had parents who were noncitizens.

Immigrants and their children are large and growing shares of the U.S. electorate

- In 2008, 10.2% (or 15 million) of all registered voters were “New Americans”—naturalized citizens or the U.S.-born children of immigrants who were raised during the current era of immigration from Latin America and Asia which began in 1965—according to an IPC [analysis](#) of Census Bureau data.⁸
 - 9.3 million registered voters were naturalized citizens, while 5.7 million were “post-1965” children of immigrants.⁹
 - Naturalized citizens comprised 6.4% of all voters, while “post-1965” children of immigrants were 3.9% of voters.¹⁰

More than 1 in 7 workers in the U.S. is an immigrant.

- The nation’s 24.4 million foreign-born workers comprised 15.8% of the U.S. labor force in [2010](#), according to the Bureau of Labor Statistics.¹¹
 - Foreign-born workers accounted for 40% of workers in farming, fishing, and forestry; 36% in cleaning and maintenance; 26% in construction and extraction; 23% in food preparation and serving; and 20% in computer and mathematical occupations in [2010](#).¹²

Immigrant entrepreneurs add billions of dollars and millions of jobs to the U.S. economy.

- Immigrant-owned small businesses employed 4.7 million people and had \$776 billion in receipts in 2007, according to an [analysis](#) of Census data by the Fiscal Policy Institute.¹³
 - 18% of all small business owners in the United States are immigrants; higher than the immigrant share of the population (13%) or labor force (16%).¹⁴
 - Immigrants comprised the largest share of small business owners in California (33%), followed by New York (29%), New Jersey (28%), Florida (26%), and Hawaii (23%).¹⁵
 - Immigrants comprise 65% of taxi service owners, 54% of dry cleaning and laundry service owners, 53% of gas station owners, and 49% of grocery store owners.¹⁶
- As of 2010, nearly one-fifth (18%) of all Fortune 500 companies had at least one founder who was an immigrant, according to a [report](#) by the Partnership for a New American Economy.¹⁷

- Collectively, these companies generated \$1.7 trillion in annual revenue and employ 3.6 million workers worldwide.¹⁸
- These companies include AT&T, Verizon, Procter & Gamble, Pfizer, Kraft, Comcast, Intel, Merck, DuPont, Google, Cigna, Kohl's, Colgate-Palmolive, PG&E, Sara Lee, Sun Microsystems, United States Steel, Qualcomm, eBay, Nordstrom, and Yahoo!¹⁹

Immigrants are integral to the U.S. economy as students.

- The 690,923 foreign students who were in the country during the 2009-2010 academic year contributed \$18.8 billion to the economy in tuition, fees, and living expenses, according to [NAFSA: Association of International Educators](#).²⁰

Immigrants increase the nation's economic output.

- A 2007 [report](#) from the White House Council of Economic Advisers concluded that immigration as a whole increases the U.S. Gross Domestic Product (GDP) by roughly \$37 billion each year because immigrants increase the size of the total labor force, complement the native-born workforce in terms of skills and education, and stimulate capital investment by adding workers to the labor pool.²¹

Most native-born workers have experienced wage gains from immigration.

- Immigrants do not compete with the majority of natives for the same jobs because they tend to have different levels of education and to work in different occupations. As a result, immigrants usually “complement” the native-born workforce—which increases the productivity, and therefore the wages, of natives.²²
- A 2010 [report](#) from the Economic Policy Institute estimated that, from 1994 to 2007, immigration increased the wages of native-born workers by 0.4%. The amount of the wage gain varied slightly by the education level of the worker. College graduates got a boost of 0.4%, workers with some college 0.7%, high-school graduates 0.3%, and workers without a high-school diploma 0.3%.²³
- A 2008 [study](#) by economist Giovanni Peri estimated that, from 1990 to 2006, immigration increased the wages of native-born workers by 0.6%. College graduates experienced an increase of 0.5%, workers with some college 0.9%, high-school graduates 0.4%, and workers without a high-school diploma 0.3%.²⁴

Unauthorized immigrants also contribute to the U.S. economy.

- Unauthorized immigrants comprised 5.2% of the U.S. workforce (or 8 million workers) in 2010, according to the [Pew Hispanic Center](#).²⁵

- Households headed by unauthorized immigrants paid \$11.2 billion in state and local taxes in 2010, according to [estimates](#) prepared for the IPC by the Institute for Taxation and Economic Policy.²⁶
- If all unauthorized immigrants were removed from the United States, the country would lose \$551.6 billion in economic activity, \$245 billion in Gross Domestic Product (GDP), and approximately 2.8 million jobs, even accounting for adequate market adjustment time, according to a 2008 report by the [Perryman Group](#).²⁷
- A 2010 [report](#) from the IPC and Center for American Progress estimates that deporting all unauthorized immigrants from the country and somehow “sealing the border” to future unauthorized immigration would reduce U.S. GDP by 1.46% annually—or \$2.6 trillion in lost GDP over 10 years. Moreover, the U.S. economy would shed large numbers of jobs.²⁸

1 in 5 people in the United States is Latino or Asian.

- The Latino share of the U.S. population grew from 9% in [1990](#),²⁹ to 12.5% in [2000](#),³⁰ to 16.4% (or 50.7 million people) in [2010](#).³¹ The Asian share of the population grew from 2.8% in [1990](#),³² to 3.6% in [2000](#),³³ to 4.8% (or 14.8 million) in [2010](#),³⁴ according to the U.S. Census Bureau.
 - More than one-third (37.1%) of [Latinos](#) and two-thirds (65.9%) of [Asians](#) were foreign-born in 2010 according the U.S. Census Bureau.³⁵
 - Nearly one-quarter (22%, or 16.3 million) of all children in the United States in 2010 were Latino, according to the [Urban Institute](#).³⁶
 - More than half (57.9%) of Latino children in the United States had at least one foreign-born parent, according to the [Urban Institute](#).³⁷

Latinos and Asians are large and growing shares of the U.S. electorate

- There were 6.6 million Latino voters in the 2010 mid-term elections (up from 5.6 million in the 2006 mid-terms), and 2.3 million Asian voters (up from 2.1 million in 2006), according to an analysis of Census data by the [Pew Hispanic Center](#).³⁸
- In 2010, Latinos comprised 6.9% of all voters (up from 5.8% in 2006) and Asians were 2.4% (up from 2.2% in 2006).³⁹

The purchasing power of Latino and Asian consumers totaled \$1.5 trillion in 2010.

- Together, Latinos and Asians accounted for nearly 14% of the nation’s total purchasing power, according to the [Selig Center for Economic Growth](#) at the University of Georgia.
 - The purchasing power of Latinos totaled \$1 trillion in 2010 (an increase of 392.9% since 1990), and is projected to reach \$1.5 trillion by 2015.⁴⁰

- The purchasing power of Asians totaled \$543.7 billion in 2010 (an increase of 371.3% since 1990), and is projected to reach \$775.1 billion by 2015.⁴¹

Latino and Asian businesses had sales of \$857 billion and employed 4.7 million workers in 2007.

- Together, businesses owned by Latinos and Asians comprised 14% of all U.S. businesses, according to the U.S. Census Bureau's [2007 Survey of Business Owners](#).
 - The nation's 2.3 million Latino-owned businesses had sales and receipts of \$350.7 billion and employed 1.9 million people in 2007 (the last year for which data is available).⁴²
 - The nation's 1.5 million Asian-owned businesses had sales and receipts of \$506 billion and employed 2.8 million people in 2007.⁴³

Endnotes

¹ U.S. Census Bureau, [The Foreign-Born Population: 2000](#), December 2003.

² Ibid.

³ 2010 American Community Survey (1-year Estimates).

⁴ U.S. Census Bureau: [State and County QuickFacts](#).

⁵ 2010 American Community Survey (1-year Estimates).

⁶ Jeffrey S. Passel and D'Vera Cohn, [Unauthorized Immigrant Population: National and State Trends, 2012](#) (Washington DC: Pew Hispanic Center, February 1, 2011).

⁷ [The Urban Institute](#), data from the Integrated Public Use Microdata Series datasets drawn from the 2005 - 2009 American Community Survey.

⁸ Immigration Policy Center, [The New American Electorate: The Growing Power of Immigrants and their Children](#) (Washington, DC: American Immigration Council, October 2010), p. 1.

⁹ Ibid.

¹⁰ Ibid.

¹¹ U.S. Bureau of Labor Statistics, "[Foreign-Born Workers: Labor Force Characteristics—2010](#)," May 27, 2011.

¹² Ibid.

¹³ David Dyssegaard Kallick, [Immigrant Small Business Owners](#) (New York, NY: Fiscal Policy Institute, June 2012), p. 1.

¹⁴ Ibid.

¹⁵ Ibid., p. 4.

¹⁶ Ibid., p. 2.

¹⁷ Partnership for a New American Economy, [The "New American" Fortune 500](#) (New York, NY: June 2011), p. 2.

¹⁸ Ibid.

¹⁹ Ibid., pp. 12-13.

²⁰ NAFSA: Association of International Educators, [The Economic Benefits of International Education to the United States for the 2009-2010 Academic Year: A Statistical Analysis](#) (Washington, DC: NAFSA: Association of International Educators, 2010).

²¹ White House Council of Economic Advisers, [Immigration's Economic Impact](#), June 20, 2007, p. 3.

²² Giovanni Peri, [Rethinking the Effects of Immigration on Wages: New Data and Analysis from 1990-2004](#) (Washington, DC: Immigration Policy Center, American Immigration Law Foundation, October 2006), p. 1.

²³ Heidi Shierholz, [Immigration and Wages: Methodological advancements confirm modest gains for native workers](#) (Washington, DC: Economic Policy Institute, February 4, 2010), p. 12.

²⁴ Gianmarco I.P. Ottaviano and Giovanni Peri, [Immigration and National Wages: Clarifying the Theory and the Empirics](#), NBER Working Paper No. 14188 (Cambridge, MA: National Bureau of Economic Research, July 2008), p. 58.

²⁵ Jeffrey S. Passel and D'Vera Cohn, [Unauthorized Immigrant Population: National and State Trends, 2010](#) (Washington, DC: Pew Hispanic Center, February 1, 2011), p. 24.

²⁶ Immigration Policy Center, [Unauthorized Immigrants Pay Taxes, Too: Estimates of the State and Local Taxes Paid by Unauthorized Immigrant Households](#) (Washington, DC: American Immigration Council, April 18, 2011).

²⁷ The Peryman Group, [An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the US with Estimated Effects by State and by Industry](#) (Waco, TX: April 2008), p. 69.

-
- ²⁸ Raul Hinojosa-Ojeda, [*Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform*](#) (Washington, DC: Immigration Policy Center and Center for American Progress, January 2010), p. 12.
- ²⁹ U.S. Census Bureau, [*The Hispanic Population: 2000*](#), May 2001.
- ³⁰ Ibid.
- ³¹ 2010 American Community Survey (1-year Estimates).
- ³² U.S. Census Bureau, [*The Asian Population: 2000*](#), February 2002.
- ³³ Ibid.
- ³⁴ 2010 American Community Survey (1-year Estimates).
- ³⁵ Ibid.
- ³⁶ [The Urban Institute](#), data from the Integrated Public Use Microdata Series datasets drawn from the 2005 - 2009 American Community Survey.
- ³⁷ Ibid.
- ³⁸ Mark Hugo Lopez, [*The Latino Electorate in 2010: More Voters, More Non-Voters*](#) (Washington, DC: Pew Hispanic Center, April 26, 2011), p. 7.
- ³⁹ Ibid., p. 13.
- ⁴⁰ Jeffrey M. Humphreys, [*The Multicultural Economy 2010*](#) (Athens, GA: Selig Center for Economic Growth, University of Arkansas, August 2010).
- ⁴¹ Ibid.
- ⁴² U.S. Census Bureau, [*2007 Survey of Business Owners*](#), Statistics for All U.S. Firms by Geographic Area, Industry, Gender, Ethnicity, and Race: 2007.
- ⁴³ Ibid.