# ECONOMIC IMPACT OF IMMIGRATION IN KANSAS CITY AND THE BI-STATE REGION

REPORT PREPARED BY:

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#### **Executive Summary**

The Ewing Marion Kauffman Foundation commissioned researchers from the Center for Science Technology & Economic Policy at the Institute for Policy & Social Research at the University of Kansas to study the characteristics and economic impact of immigration in the states of Kansas and Missouri with a special focus on the Kansas City metropolitan area. This report documents the characteristics of immigrants in these three geographic areas. Where relevant, we make comparisons with other metro areas and with the US as a whole. We compare the foreign-born population with the native-born population to try to identify the economic niches that immigrants fill in our communities and to assess some of the challenges they may face. Our report paints a statistical portrait of immigration in the bi-state area. We find the following:

**Population:** The immigrant population in Kansas, Missouri, and the Kansas City metropolitan area (KC Metro) differs considerably from that in the US as a whole.

- The immigrant population is very different in Kansas compared with Missouri, and these two states differ from the entire US as well. Immigrants are more concentrated in rural areas of Kansas, and immigrants make up a larger share of the population than in Missouri.
- The KC Metro has a 6.5% share of immigrants—a smaller share than other comparable cities, with the exception of St Louis.
- Immigrants are younger and more likely to be of working age than the native-born population in the Kansas City Metro, Kansas, and Missouri.
- Roughly two-thirds of immigrants in Kansas, Missouri, and the KC Metro have been in the country more than 10 years. Thus, they are more likely to have proficient English skills and be assimilated into their local communities than newer immigrants.
- Country of origin differs between Kansas, Missouri, and the KC Metro. Mexico is the largest sending country in all cases. However, the KC Metro receives its second largest share from Africa; Kansas has its second-largest share from Vietnam, and Missouri has its second-largest share from China.
- Unlike the US and Missouri, more than 25% of immigrants in Kansas live outside of metropolitan areas.
- The percentage of foreign-born who are naturalized citizens had grown to 40% in the KC Metro by 2013.

**Education and Employment:** Immigrants in Kansas, Missouri, and the KC Metro are either high or low-skilled (few fall in the middle of the skill distribution). Immigrants and natives are equally likely to participate in the labor force and be employed. However, immigrants earn less and are more likely to be in poverty or have low income.

• Immigrants are either lower-skilled or higher-skilled than natives. Immigrants are more likely than natives in the US, Kansas, Missouri, and the KC Metro to not have a high school education and more likely to have graduate degrees (Master's or above).

- Labor force participation rates of immigrants are the same as natives in the US, Missouri, and the KC Metro. However there are gender differences in the native and immigrant workforces, with the immigrant workforce comprised of more men and fewer women. Employment rates are essentially identical across the geographic regions.
- Immigrants in Kansas and the KC Metro are concentrated in low-skilled occupations.
   However, immigrants in Missouri are in both low-skilled occupations and the high-skilled occupation of teachers/professors.
- Immigrants earn less than natives except for those with more than a bachelor's degree; with a Master's degree or more, immigrants earn more.
- Immigrants are more likely to be in poverty in Kansas and Missouri, but the poverty rates are lower in the KC Metro than in the two states. A larger portion of immigrants are below two times the poverty line in Kansas than in Missouri or the KC Metro, indicating that immigrants are more likely to be low-income in Kansas.
- Kansas and Missouri have slightly larger shares of immigrant students than the
  US. However the reverse holds true for H1-B visas. As expected, Kansas has a larger share
  of agricultural visas than Missouri, but this is less than the US share.
- Kansas, Missouri, and the KC Metro have a much smaller share of permanent resident visas (green cards) than their shares of the US population.
- Estimates indicate that both Kansas and Missouri have smaller shares of unauthorized/undocumented immigrants than the US. However, estimates also suggest that Kansas has a much larger proportion of unauthorized immigrants (~2.6%) than Missouri (~1.1%).
- The research literature shows that immigrants in the US as a whole are more likely to be self-employed and small business owners. However, rates of self-employment and business ownership in Kansas and Missouri lag behind the US.
- Estimates indicate that immigrants in the KC Metro add to the total population and the total number of people employed. Despite increasing the labor force, immigrants do not decrease the wages of natives. This suggests that immigrants are complements to the native population/workforce and do not displace natives in the labor market.

#### Introduction

Immigration has been the source of contentious debate for many years. Discussions on this topic typically revolve around immigration policy or perceived threats caused by the presence of immigrants in local and national labor markets. Evidence on the economic impact of immigrants shows mixed results, and research on the topic is vigorous and ongoing. Controversies about immigration are not surprising, because immigration and the issues surrounding it are quite complex. The answer to any question about immigration is often "it depends." It depends on whether we are talking about recent arrivals or about families who have been integrated into their communities for years. It depends on whether we are talking

about entrepreneurs in engineering fields or temporary agricultural workers. It depends on whether the economy is growing or contracting.

The United States immigrant population is a diverse group. Immigrants vary along many dimensions, such as country of origin, work experience, educational attainment, and legal status (authorized or unauthorized). The distribution of immigrant characteristics in Kansas City, the state of Missouri, or the state of Kansas does not necessarily mirror the distribution of immigrant characteristics for the United States in its entirety. For example, immigrants with low levels of education may be more attracted to rural areas with more employment opportunities in the agricultural sector, and highly educated immigrants may be more attracted to metropolitan areas. Because of the heterogeneous nature of the immigrant population, we explore how characteristics vary across different geographical units and discuss policy implications of our findings.

Immigration depends upon and influences the economic conditions of the region. Like the US economy, Kansas and Missouri have been slow to recover from the Great Recession of 2007-2009. Initial estimates indicate that the Kansas Gross State Product grew at a 1.9% rate between 2012 and 2013, while Missouri's only grew 0.8%. Although the Kansas City metropolitan area (KC Metro) is ranked 29th in the size of its overall gross metropolitan product, it grew 1.4% in 2013, ranking 193 among the 374 metropolitan statistical areas (MSAs) reported by the Bureau of Economic Analysis. KC Metro growth is much higher than in Wichita (0.7%) or St. Louis (0.1%). Population growth, a key input in labor force and economic growth, also differs across the region. According to data from the Census Bureau, between 2000 and 2010, the KC Metro population grew 17.8%, faster than growth in Kansas (6%), Missouri (6.8%), and the US (12.8%). Thus the KC Metro is a "bright spot" in the region's economy. This study will paint a statistical portrait of immigration in the states of Missouri, Kansas, and the KC Metro and will evaluate the economic impact of immigration on the region.

This report documents the characteristics of immigrants in three geographic areas: the Kansas City metropolitan area (KC Metro), the state of Missouri and the state of Kansas. Where relevant, we make comparisons with other metro areas and with the US as a whole. We compare the foreign-born population with the native-born population to try to identify the economic niches that immigrants fill in our communities and to assess some of the challenges they may face.

The first dimension of geographic comparison is the overall size of the immigrant community. Overall, we document that Kansas City and the states of Missouri and Kansas are fairly low-immigrant geographic locations. We go on to examine whether selected counties within the states, and subdivisions in the KC metro area, contain clusters of immigrants that contradict the prevailing "low immigration" pattern.

We examine the length of time that immigrants have been in the country to see whether recent immigrants are attracted to our region. We find some evidence that, in general, immigrants in this region are "newer" than those in the US as a whole. However, the large majority (80-85%) have been in the country at least 5 years. Most immigrants have had time to figure out how to

work and support families in the US. It may be that the low volume of immigration makes it easier for immigrants to make economic progress in our area.

We examine data on the economic status of immigrants to see how those in the workforce are compensated compared with native-born workers. We also consider the number of immigrants living below the poverty line.

We examine the issue of the legal status of immigrants to see what types of immigrants are attracted to our region. We look at temporary residents such as students and people on work visas, as well as permanent residents, documented and undocumented.

Looking more broadly at the issue of immigration, we present some new evidence on the economic impact of immigration in metro areas, showing that immigration enhances employment opportunities for native-born residents. This evidence, in conjunction with the current "low immigration" status of our targeted geographic areas, implies that Kansas City and the states of Missouri and Kansas could indeed absorb additional immigrants productively.

#### Section 1: Definitions and Data

#### Who is an Immigrant?

In everyday conversation, the word *immigrant* typically requires no explanation. In actuality though, the meaning of the word can vary, and for the purposes of this report it must be clearly defined for appropriate understanding. For example, the Department of Homeland Security defines an immigrant as an individual who is neither a citizen nor a national of the United States, but who is legally admitted to the country as a permanent resident (DHS Definition of Terms). The Immigration and Nationality Act definition differs in that it does not require legal entry into the country, but instead defines an immigrant as an alien who is not in one of their non-immigrant classifications (e.g. foreign ministers, vacationers, students, etc.) (CULS Legal Information Institute). For most of this analysis, we adopt a simple definition. To be defined as an immigrant, an individual residing in the country must be born outside of the United States with neither parent holding citizenship status in the United States.

Generally, we compare and contrast immigrants with the native population in the tables and figures that follow. However, in some circumstances, comparing the immigrant population as a whole to recent immigrants is more informative. We define recent immigrants as individuals who have immigrated to this country within the five years prior to the year for which data are presented.

Additionally, we present information in reference to different geographical regions in order to observe how the immigrant population of the Kansas City metropolitan area (KC Metro) compares to that of other areas. The comparison regions include the United States as a whole, the states of Kansas and Missouri, and the metropolitan areas of St. Louis, Oklahoma City, Omaha, Des Moines, Denver, Milwaukee, Minneapolis, and Wichita. These metropolitan areas were chosen based on region of the country and having a mid-sized population.

#### Data

The primary data for this study come from the 1% samples of the American Community Survey (ACS) 2007-2013 and the 5% sample of the 2000 decennial census. All data were collected from the Integrated Public Use Microdata Series (IPUMS). Although immigration data can be acquired through various sources, the ACS has special characteristics that make it appealing for this particular study. The ACS has large sample sizes, approximately 3.1 million observations in 2013 alone. This is important because our comparison regions are less populated areas for which our goal is to have large and representative samples upon which to base statistical inference. However, the most important characteristic of the ACS is that it contains smaller geographical units, Public Use Micro Areas or PUMAS. PUMAS are Census-defined geographical areas that contain at least 100,000 people and do not cross state boundaries. Using the Missouri Census Data Center GEOCORR tool, we were able to map PUMAS to metropolitan areas and adjust individual level weights to account for the likelihood that a given individual is in the metropolitan area of interest.

The downside of using the ACS for this project is that we do not have information on the legal status of immigrants. This means that documented and undocumented immigrants will fit into our immigrant category and cannot be explicitly separated. Data from the US Department of State, the Department of Homeland Security, the Department of Labor, and the Pew Research Center supplement our discussion of legal status in a later section.

#### Section 2: The Geography of Immigration

#### **Immigrant Share of Total Population**

Figure 1 and Table 1 illustrate how the immigrant share of total population has changed over time for the United States, Missouri, Kansas, and the KC Metro. Between 2000 and 2007 the immigrant *share* increased by about 1.5 percentage points in the US and Kansas City, by about 1.1% in Kansas, and by less than 1% in Missouri. The number of immigrants in this region increased faster than the general population. The growth of the immigrant population appears to have slowed down in more recent years. It is likely that the recession of 2008-2009 and the slow recovery thereafter impeded immigration both nationally and in our region. For the last several years, the foreign-born population share for the US has hovered around 12-13%, the shares for Kansas and the KC Metro area have hovered around 6%, and that of Missouri has hovered around 3.7%. Although the absolute numbers are different, the US and our region follow similar trends. Note that these four geographical regions are not mutually exclusive. The Kansas side of the KC Metro influences the numbers for Kansas, the Missouri side of KC Metro influences the numbers for Missouri, and both Kansas and Missouri influence the numbers for the US.

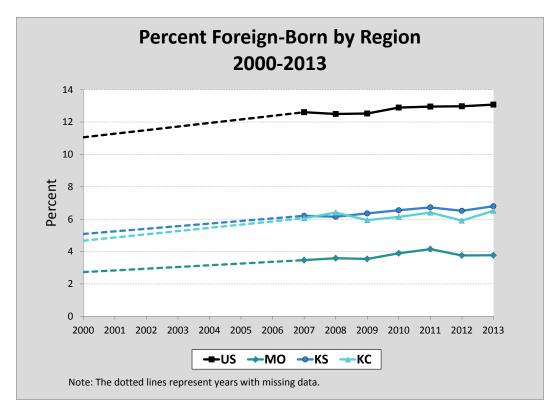


Figure 1: Percentage of Foreign-born in the US, Kansas, Missouri, and the KC Metro 2000-2013. Source: 2000 Decennial Census and 2007-2013 American Community Surveys.

Number and Percent of Foreign-Born Residents, 2000-2013									
Year	US	МО	KS	KC Metro MO	KC Metro KS	KC Metro Total			
2013									
Total Residents	316,128,839	6,044,171	2,893,957	1,208,871	846,195	2,055,067			
Foreign-born	41,340,832	227,863	196,807	60,285	73,667	133,952			
% Foreign-born	13.08%	3.77%	6.80%	4.99%	8.71%	6.52%			
2007									
Total Residents	301,621,159	5,878,415	2,775,997	1,162,486	797,512	1,959,998			
Foreign-born	38,048,456	204,061	172,354	51,611	67,227	118,837			
% Foreign-born	12.61%	3.47%	6.21%	4.44%	8.43%	6.06%			
2000	2000								
Total Residents	281,421,906	5,595,490	2,687,110	1,099,768	713,645	1,813,413			
Foreign-born	31,133,481	152,931	136,640	38,527	46,169	84,696			
% Foreign-born	11.06%	2.73%	5.09%	3.50%	6.47%	4.67%			

Table 1: Percentage of Foreign-born in the US, Kansas, Missouri, and the KC Metro 2000-2013. Source: 2000 Decennial Census and 2007-2013 American Community Surveys.

#### Distribution of Immigrants within Kansas, Missouri, and the KC Metro Area

Maps 1 through 3 present the percentage of total population that is foreign-born, by county, in Kansas, Missouri, and the KC Metro, 2008-2012. Immigrants in Kansas are concentrated in the southwestern corner of the state, Wichita, and Kansas City. Immigrants in Missouri are spread across the state along the I-70 corridor. More immigrants reside in the KC Metro on the Kansas side than on the Missouri side.

In general, immigrants cluster in metropolitan areas. Nationwide, immigrants are much less likely to live in rural areas than are native-born residents (4% vs. 16%). Overall, Missouri and Kansas are fairly rural states, with higher percentages of both native-born and foreign-born residents living outside metro areas than is the case nationally. In Missouri, about 12% of immigrants (in contrast to 26% of native-born residents) choose rural locations. In Kansas, the distribution to rural areas is more pronounced, with more than one-fourth of immigrants living in rural areas. Since 2000, both Kansas and Missouri have experienced declines in the rural share of immigrants, while the US share has remained unchanged (Figure 2).

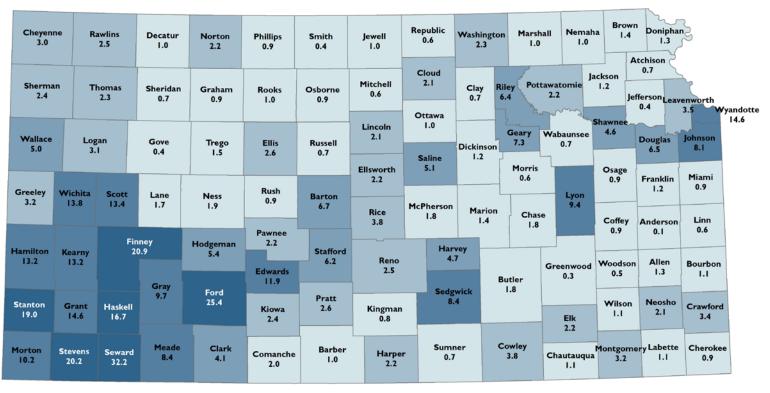
Outside of urban areas, immigration in both states is concentrated in counties with large-scale agricultural processors. In Missouri, it is usually a single processing plant that attracts immigrants to a rural county (Sullivan County: hog production; Pettis and McDonald Counties: chicken processing, Map 2). In Kansas, several meat packing companies have located in a multicounty area in the southwest corner of the state. Immigrants are attracted to the significant number of jobs available in the packing, feedlot, and related industries (Map 1).

Immigrants are also concentrated in specific areas within the Kansas City Metro area. Areas near downtown on both the Missouri and Kansas sides of the river have a high immigrant population. In addition, the area in Johnson County along I-35, south of I-435 towards Olathe, has attracted a significant immigrant population. The immigrant population within the KC Metro area is shown in Map 3. Overall, the Kansas side of the KC Metro area has more immigrants than the Missouri side, even though it has a smaller population base (Table 2).

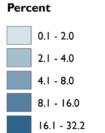
Metro and Non-Metro Components of Population, 2013								
	US	МО	KS					
Foreign-Born Residents	41,340,832	227,863	196,807					
Metro	39,627,832	200,549	142,645					
Non-Metro	1,713,000	27,314	54,162					
% Non-metro	4.14%	11.99%	27.52%					
Native-Born Residents	274,788,007	5,816,308	2,697,665					
Metro	230,210,121	4,284,822	1,791,042					
Non-Metro	44,577,886	1,531,487	906,623					
% Non-metro	16.22%	26.33%	33.61%					

Table 2: Distribution of Population in Metropolitan and non-Metropolitan (rural) areas in the US, Missouri, and Kansas. Source: 2013 American Community Survey.

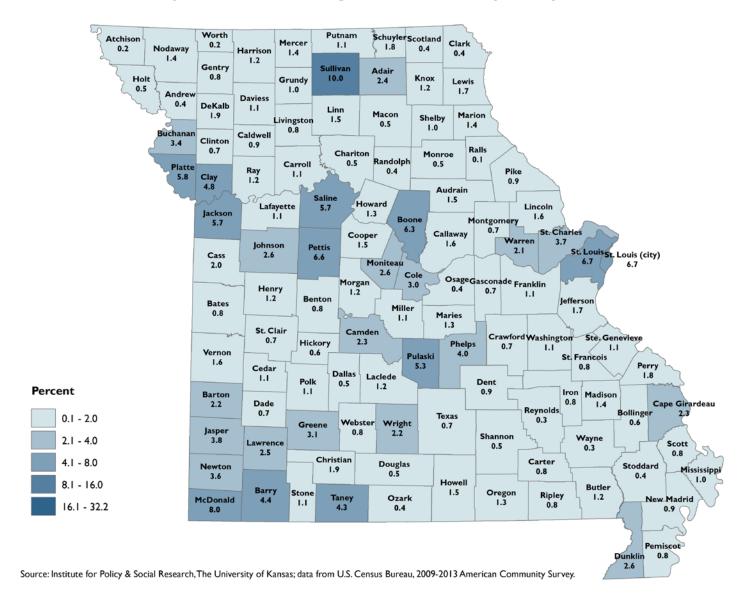
### Percent of Population who are Foreign Born in Kansas, by County, 2009-2013



Source: Institute for Policy & Social Research, The University of Kansas; data from U.S. Census Bureau, 2009-2013 American Community Survey.



### Percent of Population who are Foreign Born in Missouri, by County, 2009-2013



# Percent of Population who are Foreign Born in the Kansas City Metropolitan Area, by Zip Code Tabulation Area, 2009-2013

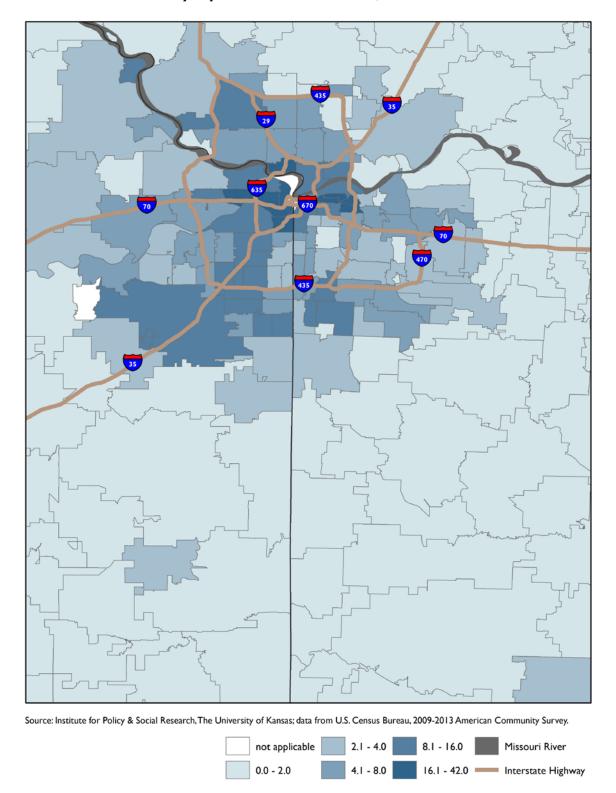


Figure 2 illustrates population shifts of immigrants and natives between metro and non-metro areas. Nationally, the share of immigrants in non-metro areas remained fairly constant at about 4% between 2000 and 2013. During the same time period, the US native-born population shifted slightly toward metro locations. The share of natives and immigrants outside of metropolitan areas decreased significantly in Kansas, likely continuing the depopulation trends in western Kansas. In both states in our region, the shift to metro areas has been more pronounced for immigrants than for natives.

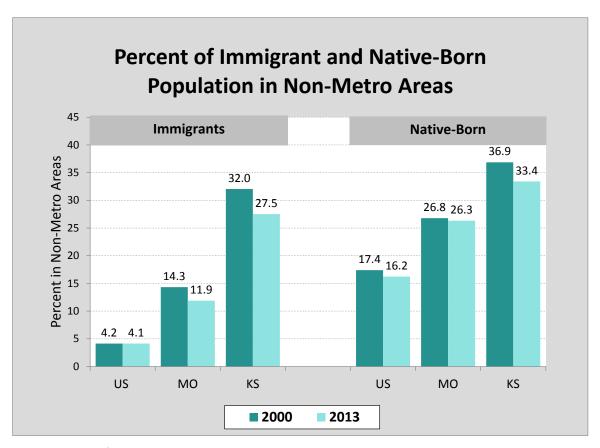


Figure 1: Percent of Immigrants and Natives in non-Metropolitan areas In the US, Missouri, and Kansas, 2000, 2013. Source: American Community Survey 2013

Table 3 shows trends for individual metro area counties. Data are available only as 5-year averages for small counties, so we used the 5-year data for comparison purposes. Growth in the immigrant population has not been uniform across the region, but a common theme emerges. In both central and outlying suburban areas, the immigrant population has grown much faster than the population in general. In absolute numbers, the large counties in the region, Jackson, Clay, Johnson, and Wyandotte, have contributed most of the immigrant growth, but for the most part, the smaller counties also experienced an immigrant influx. Interestingly, Wyandotte County would have experienced a population decline since 2000 in the absence of immigrants. And Jackson County, which experienced a total population decline in recent years, would have faced an even steeper decline without immigrant contributions.

County	Population	2000	2005-	2009-	Change	%
County	ropalation	2000	2009	2013	from 2000	Change
Bates Co., MO	Population	16,653	16,906	16,878	225	1.4%
	Foreign-born	151	245	134	-17	-11.3%
	% Foreign-born	0.9%	1.4%	0.8%		
Caldwell Co., MO	Population	8,969	9,192	9,249	280	3.1%
	Foreign-born	38	47	82	44	115.8%
	% Foreign-born	0.4%	0.5%	0.9%		
Cass Co., MO	Population	82,092	97,203	99,875	17,783	21.7%
	Foreign-born	1,312	1,907	2,006	694	52.9%
	% Foreign-born	1.6%	2.0%	2.0%		
Clay Co., MO	Population	184,006	217,596	225,116	41,110	22.3%
	Foreign-born	5,261	9,121	10,831	5,570	105.9%
	% Foreign-born	2.9%	4.2%	4.8%		
Clinton Co., MO	Population	18,979	20,810	20,659	1,680	8.9%
	Foreign-born	98	198	140	42	42.9%
	% Foreign-born	0.5%	1.0%	0.7%		
Jackson Co., MO	Population	654,880	689,651	675,641	20,761	3.2%
	Foreign-born	28,320	38,348	38,318	9,998	35.3%
	% Foreign-born	4.3%	5.6%	5.7%		
Lafayette Co., MO	Population	32,960	32,741	33,188	228	0.7%
	Foreign-born	238	287	380	142	59.7%
	% Foreign-born	0.7%	0.9%	1.1%		
Platte Co., MO	Population	73,781	87,461	90,842	17,061	23.1%
	Foreign-born	2,742	3,693	5,290	2,548	92.9%
	% Foreign-born	3.7%	4.2%	5.8%		
Ray Co., MO	Population	23,354	23,507	23,290	-64	-0.3%
	Foreign-born	91	244	285	194	213.2%
	% Foreign-born	0.4%	1.0%	1.2%		
Johnson Co., KS	Population	451,086	525,108	552,947	101,861	22.6%
	Foreign-born	25,531	39,522	44,737	19,206	75.2%
	% Foreign-born	5.7%	7.5%	8.1%		
Leavenworth Co., KS	Population	68,691	73,504	77,002	8,311	12.1%
	Foreign-born	1,830	2,119	2,710	880	48.1%
	% Foreign-born	2.7%	2.9%	3.5%		
Linn Co., KS	Population	9,570	9,594	9,580	10	0.1%
	Foreign-born	26	58	61	35	134.6%
	% Foreign-born	0.3%	0.6%	0.6%		
Miami Co., KS	Population	28,351	30,511	32,682	4,331	15.3%
	Foreign-born	162	287	293	131	80.9%
	% Foreign-born	0.6%	0.9%	0.9%		
Wyandotte Co., KS	Population	157,882	153,753	158,348	466	0.3%
	Foreign-born	14,954	18,613	23,127	8,173	54.7%
	% Foreign-born	9.5%	12.1%	14.6%		

Table 3: Total and Immigrant Population, Kansas City Metro Area Counties. Source: American Community Survey 2013 5-year tabulations.

#### **Metro Area Comparisons**

Since immigrant populations are concentrated in metropolitan areas, we chose eight metropolitan areas based on population and location as a comparison group for the KC Metro. All metropolitan areas are in the Midwest, and while there is still a moderately large span in population size, cities that are extremely large, such as Chicago, were excluded from the comparison group. Each of these metropolitan areas, along with their 2013 population totals broken down by immigrant status, are listed in Table 4. Kansas City has the second-lowest share of immigrants of the cities considered—only St. Louis has a lower share.

Figure 3 compares 2000 to 2013 immigrant share percentages for the KC Metro and the eight metro comparison areas. In both 2000 and 2013, the KC Metro had the third lowest foreign-born percentage. Between 2000 and 2013, all of the metro areas experienced growth in terms of the immigrant share of total population. Des Moines experienced the highest growth in immigrant intensity. The KC Metro area was in the mid-range (Figure 3). Within the KC Metro, growth differed moderately on the two sides of the border (Table 1). Not only did the Kansas side start the decade with higher immigrant intensity (6.5% vs. 3.5% of the population), the immigrant population on the Kansas side also grew faster from 2000 to 2013.

As mentioned earlier, 2000-2007 was a significant time period for immigrant population growth. Figure 4 shows that between 2000 and 2007 the KC Metro as a whole experienced an almost 30% jump in the immigrant share of total population. However, since 2007, that percentage has grown much less rapidly.

Immigrant Share of Total Population For Selected Metro Areas								
		2000			2013			
Metros	Рор	Immig	Share	Pop	Immig	Share		
Denver	2,178,736	238,059	10.93%	2,696,555	323,919	12.01%		
Des Moines	481,992	24,626	5.11%	598,273	53,317	8.91%		
Kansas City	1,813,413	84,696	4.67%	2,055,067	133,952	6.52%		
Milwaukee	1,499,015	78,041	5.21%	1,570,363	105,596	6.72%		
Minneapolis	3,020,171	208,766	6.91%	3,458,550	330,727	9.56%		
Oklahoma City	1,093,267	61,428	5.62%	1,319,122	112,902	8.56%		
Omaha	767,936	32,743	4.26%	894,029	57,881	6.47%		
St. Louis	2,674,153	82,605	3.09%	2,797,888	123,701	4.42%		
Wichita	578,246	34,032	5.89%	636,501	47,616	7.48%		

Table 4: Population Totals for Immigrants and Immigrant Share for Denver, Des Moines, Milwaukee, Minneapolis, Oklahoma City, Omaha, St Louis, Wichita, and the KC Metro 2013. Source: 2013 American Community Survey.

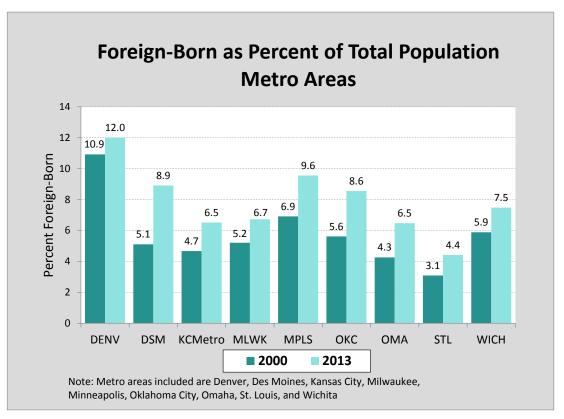


Figure 2: Percentage of Foreign-born in Denver, Des Moines, Milwaukee, Minneapolis, Oklahoma City, Omaha, St. Louis, Wichita, and the KC Metro 2000 and 2013. Source: 2000 Decennial Census and 2013 American Community Survey.

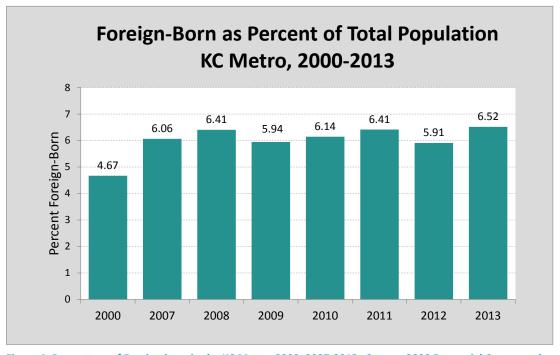


Figure 4: Percentage of Foreign-born in the KC Metro, 2000, 2007-2013. Source: 2000 Decennial Census and 2007-2013 American Community Surveys.

#### **Nationwide Shifts in Immigration**

It is fair to characterize Missouri, Kansas, and the KC Metro area as "low immigration" locations. In contrast, immigrants comprise more than 20% of the population in states such as California and New York. Table 5 lists the top states in terms of immigrant intensity.

	Foreign-born Population: Top States 2013									
Rank	State Foreign-born as % state pop. Rank		State	Share of US foreign-born						
1	California	26.93%		1	California	24.97%				
2	New York	22.36%		2	New York	10.63%				
3	New Jersey	21.51%		3	Texas	10.54%				
4	Florida	19.43%		4	Florida	9.19%				
5	Nevada	18.87%		5	New Jersey	4.63%				
25	Kansas	6.80%		28	Missouri	0.55%				
42	Missouri	3.77%		31	Kansas	0.48%				

Table 5: Top States Ranked by Foreign-born Population as a Percentage of the Population. Source: 2013 American Community Survey.

We can also view the geography of immigration by looking at the share that each state has of the US total (Table 6). We see that the top 5 states for immigration are home to almost 60% of immigrants in the country, but since 2000, immigration has been shifting out of the two top states, and to some extent, into the heartland. With the exception of Illinois, states in the midsection of the county gained a slight immigration share between 2000 and 2013. The shifts are very small, but the pattern is clear.

Changing Immigration Shares, 2000-2013								
State	2000 share of US foreign-born	2013 share of US foreign-born	Gain or loss					
Missouri	0.49%	0.55%	(+)					
Kansas	0.44%	0.48%	(+)					
KC Metro	0.27%	0.32%	(+)					
Arkansas	0.23%	0.33%	(+)					
Colorado	1.19%	1.22%	(+)					
Illinois	4.93%	4.36%	(-)					
Indiana	0.61%	0.76%	(+)					
Iowa	0.29%	0.38%	(+)					
Minnesota	0.82%	0.96%	(+)					
Nebraska	0.23%	0.27%	(+)					
Oklahoma	0.42%	0.53%	(+)					
Wisconsin	0.61%	0.67%	(+)					
California	28.54%	24.97%	(-)					
New York	12.41%	10.63%	(-)					

Table 6: Shares of US Immigrants by State. Source: Census 2000 & 2013 American Community Survey.

#### **Immigrant Gateways**

Several recent publications by researchers centered at the Brookings Institution (Singer, 2004; Singer, 2013; Singer, Hardwick, and Brettell, 2008) track the historical shifts in *immigrant gateways*—areas that attract a high share of the country's foreign-born residents. In 1900, New York City was home to over 20% of the nation's immigrants, followed by Chicago, Boston, Philadelphia, and Pittsburgh. Over 45% of the nation's immigrants concentrated in the top five cities. The Brookings research shows that the picture changed radically by 2010—only New York and Chicago remained in the top five cities (Los Angeles, Miami, and San Francisco rounding out the list). Furthermore, immigrants became more dispersed. The top five cities together housed less than 40% of all immigrants by 2010. Immigrant gateways have, for the most part, moved to the South and West over time.

In the section that follows, we examine whether metro areas in the mid-section of the country have started to attract a larger share of US immigrants than was the case in the past. Do any of our comparison metros have some of the characteristics of gateways? In Figure 4 above we saw that all of our comparison metro areas have increased their immigrant-intensity since 2000. We now ask whether they also attract a larger share of the US total.

We calculate two statistics for each of the current 381 metro areas in the US: the share of *all* US immigrants and the share of *new* (5 year residents or less) US immigrants living in the metro. We rank the metros by the share of all US immigrants who live there. Table 7 shows the results. Not surprisingly, the top ranked metros are for the most part the large metro areas on the East coast and in the South and West. Large population areas attract immigrants. Compared with 2000, Houston, Washington, DC, Dallas, and Riverside-San Bernardino increased their shares of immigrants to the US, showing growing importance as immigrant destinations.

Within our region, only Minneapolis and Denver rank among the top 25 immigrant destinations. These metros are both larger than Kansas City in absolute population and have higher immigrant population shares. Singer, Hardwick, and Brettell (2008) classify these as "twenty-first century gateways."

All of the comparison metros in our region have increased their share of the country's immigrants since 2000, although the total change is small. More importantly, the metros in our region (except Denver) capture a larger portion of *new* immigrants than of immigrants in general. For Kansas City, the shares are 0.32% of all immigrants versus 0.43% of new immigrants. Medium-sized cities in the center of the country may become more important immigrant magnets in the future, as indicated by the growing share of all immigrants living in these areas and the attractiveness of the areas to newly arrived immigrants.

	Immigration Gateways: Rankings for Top Metros and KC Comparison Metros								
Rank 2013: Share of All US Immig	Rank 2000: Share of All US Immig	Metro	% All US Immig 2013	% All US Immig 2000	% New US Immig 2013				
	<u> </u>	Top Metro Areas for Immigrants							
1	1	New York-Newark-Jersey City, NY-NJ-PA	13.79%	15.69%	13.60%				
2	2	Los Angeles-Long Beach-Anaheim, CA	10.64%	13.85%	6.49%				
3	3	Miami-Fort Lauderdale-West Palm Beach, FL	5.47%	5.62%	5.60%				
4	4	Chicago-Naperville-Elgin, IL-IN-WI	4.08%	4.72%	3.04%				
5	6	Houston-The Woodlands-Sugar Land, TX	3.43%	2.85%	3.52%				
6	5	San Francisco-Oakland-Hayward, CA Washington-Arlington-Alexandria, DC-VA-MD-	3.24%	3.64%	3.00%				
7	7	WV	3.17%	2.65%	3.70%				
8	8	Dallas-Fort Worth-Arlington, TX	2.86%	2.53%	2.95%				
9	9	Riverside-San Bernardino-Ontario, CA	2.26%	1.96%	0.96%				
10	10	Boston-Cambridge-Newton, MA-NH	1.99%	1.94%	2.70%				
		Rankings for KC and Comparison Metros							
22	23	Minneapolis-St. Paul-Bloomington, MN-WI	0.80%	0.67%	1.02%				
23	20	Denver-Aurora-Lakewood, CO	0.78%	0.76%	0.77%				
43	43	Kansas City, MO-KS	0.32%	0.27%	0.42%				
46	47	St. Louis, MO-IL	0.30%	0.27%	0.43%				
50	58	Oklahoma City, OK	0.27%	0.20%	0.42%				
54	49	Milwaukee-Waukesha-West Allis, WI	0.26%	0.25%	0.38%				
84	91	Omaha-Council Bluffs, NE-IA	0.14%	0.11%	0.21%				
89	105	Des Moines-West Des Moines, IA	0.13%	0.08%	0.16%				
95	88	Wichita, KS	0.12%	0.11%	0.13%				

Table 7: Immigration Gateways, Share of US Immigrants by Metro Area. Source: Census 2000 and American Community Survey, 2013. Note: rankings done for 381 metro areas.

#### **Section 3: Demographics**

In the tables that follow, we will examine the diversity of immigrants in the KC Metro and the states of Missouri and Kansas. Within these geographical comparisons, immigrant characteristics are broken down by the number of years since immigration and other relevant factors.

The dimensions of immigrant diversity that will be discussed in the following section are: age and gender, years since immigration, country of origin, educational attainment, English-speaking proficiency, citizenship, labor force participation and employment, occupations, and income.

#### Age

It may seem straightforward to compare the age distribution of immigrants with that of natives. However most of the children of immigrant families are born in the US and have birthright citizenship—they count as native-born rather than as immigrants (see the section on children below). Therefore we examine the age distribution of adults over 18. We also look at the median age and track changes since 2000.

Figure 5 shows that the percentage of the adult population under age 45 is higher for immigrants than for the native-born population. Missouri, Kansas, and the KC area have a higher proportion of young adult immigrants under 45 than does the US as a whole. Recent immigrants have a much younger age profile than the general native-born population. Most recent immigrants are young adults and very few are near retirement age. Because immigrants often come to this country to take advantage of work opportunities, we should expect a large percentage of the immigrant population to be in its peak employment and earnings years.

For the US as a whole, the mean age of adult immigrants is about a year younger than that of native-born adults (47 vs. 46). For recent immigrants, the mean age is under 37. In Missouri, Kansas, and the KC Metro, the mean age of immigrants is substantially younger than for the US (Table 8).

The US as well as Western Europe and Japan face an aging "crisis." The share of the population age 65 and over is growing due to increased longevity of older people and historically low fertility among women of child bearing age. New immigrants, because they are much younger than the population at large, in part alleviate the impact of an aging population and add to the prime working age labor force. For every person age 65+ in the US, there are currently about 4.5 people of working age 18-64. In the absence of recent immigrants, the ratio would fall to about 4.4. The *extent* to which future immigration will counteract the impact of the retirement of the baby-boom and later generations is still unclear.

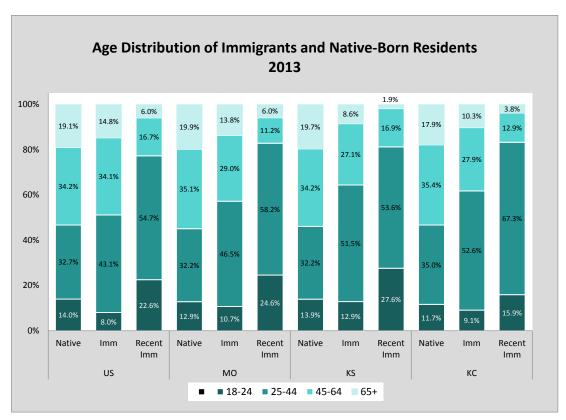


Figure 5: Percentage of Immigrants, New Immigrants, and Natives in Bracketed Age Categories in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey.

	Age Distribution of the Adult Population 2013											
		US			МО			KS			KC	
	Immi	grants	Native	Foreign-born Native		Foreig	n-born	Native	Foreig	n-born	Native	
	All	Recent		All	Recent		All	Recent		All	Recent	
18-24	8.0%	22.6%	14.0%	10.7%	24.6%	12.9%	12.9%	27.6%	13.9%	9.1%	15.9%	11.7%
25-44	43.1%	54.7%	32.7%	46.5%	58.2%	32.2%	51.5%	53.6%	32.2%	52.6%	67.3%	35.0%
45-64	34.1%	16.7%	34.2%	29.0%	11.2%	35.1%	27.1%	16.9%	34.2%	27.9%	12.9%	35.4%
65+	14.8%	6.0%	19.1%	13.8%	6.0%	19.9%	8.6%	1.9%	19.7%	10.3%	3.8%	17.9%
Mean Age Adults	46.0	36.8	47.0	44.1	34.4	47.6	41.9	33.5	47.3	43.1	34.5	47.0

Table 8: Percentage of Immigrants, New Immigrants, and Natives in Bracketed Age Categories in the US, Kansas, Missouri, and the KC Metro 2013. Source: 2013 American Community Survey.

#### Gender

Overall, men outnumber women in the US and in our region. The percentage of male immigrants tracks the percentage of male natives closely. Kansas provides a slight exception. The state's immigrants are more than 51 percent male. This may be the result of many immigrants in Kansas working in agriculture-related industries.

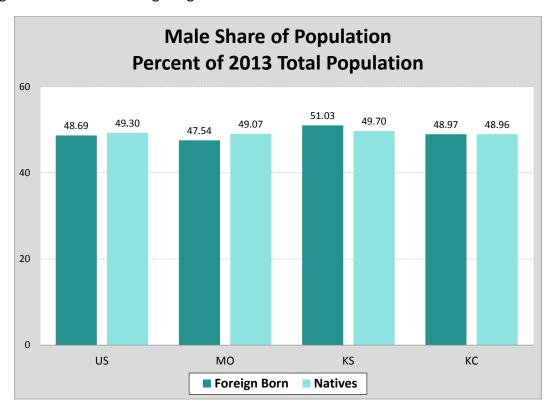


Figure 6: Percentage of Male Immigrants and Natives in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey.

#### Children

Only a small percentage of total immigrants are children under 18, but among recent immigrants it is much higher. The percentage of children among recent immigrants in our region exceeds that of the US (Table 9). However, tabulations of immigrant children underestimate the number of children in immigrant *families*. Most children of immigrants actually are born in the US and are native-born citizens under US law.

In Table 10, we look at families with at least one foreign born parent (or possibly stepparent) with children living in the household. For families where neither parent is a citizen, about 75-80% of children are born in the US depending on region. When one of the parents is a native-born or naturalized citizen, about 90% of children in the household are native-born. Note that if one parent is a citizen when her or his own child is born, the child is generally a US citizen.

Percent of Immigrants and Native-Born Under Age 18								
Region	Native-born							
US	6.1%	19.1%	25.8%					
МО	9.9%	21.7%	23.7%					
KS	8.9%	25.6%	26.0%					
KC	9.2%	27.5%	26.1%					

Table 9: Immigrant Children by Region. Source: 2013 American Community Survey.

Number of Foreign and Native-Born Children per Family Families with Children under Age 18 and One or More Foreign-Born Parents											
Tallines with	US US		MO		KS		KC Metro				
Mean Family Characteristics	No Citizen Parents	1 or 2 Citizen Parents									
Mean People per Family	4.25	4.31	3.79	4.11	4.22	4.43	3.84	4.31			
Mean Native-Born Children < 18	1.65	1.76	1.40	1.73	1.75	1.93	1.64	1.79			
Mean Foreign-Born Children < 18	0.42	0.13	0.48	0.21	0.45	0.17	0.38	0.24			
% Children Native-Born	79.8%	93.0%	74.5%	89.0%	79.7%	92.1%	81.2%	88.1%			

Table 10: Number of Foreign and Native-Born Children per Family. Source: 2013 American Community Survey.

Native-born children of immigrants face some of the same challenges as foreign-born children in terms of language and acculturation, but a recent study from the Pew Research Center (2013) suggests that these second generation Americans may do well socially and economically when they become adults—at least that has been the past pattern. Incomes of second generation Americans approximate those of the population at large.

A similar outcome is likely for children who come to the country at a young age. A Canadian study found that individuals who immigrate at a younger age more easily adapt to the culture and language of their new country and tend to invest in more years of education. Preteen immigrants experience no appreciable difference in future wages in comparison to otherwise similar natives, but older immigrants experience a wage penalty relative to similar natives that grows with the age at immigration (Schaafsma and Sweetman, 2001).

#### **Years since Immigration**

Figures 7 and 8 break the immigrant population into groups based on the number of years since immigration. In comparison with the US, the immigrant population of our region is tilted towards immigrants who entered the country within the last 15 years (Figure 7). Very new immigrants, those who have been in the country for 5 or fewer years, are also "over-represented" in our region in comparison with the US.

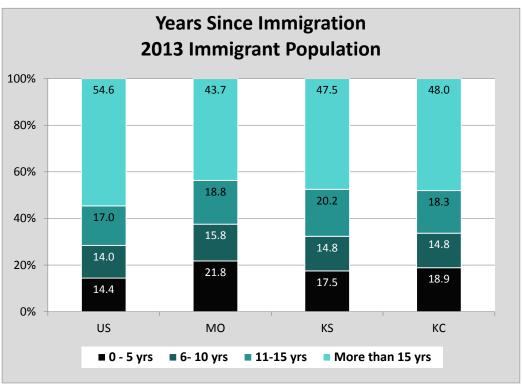


Figure 7: Percentage of Immigrants by Bracketed Years since Immigration Categories in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey.

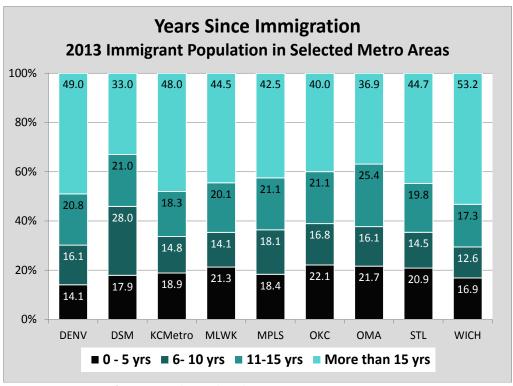


Figure 8: Percentage of Immigrants by Bracketed Years Since Immigration Categories in Denver, Des Moines, Milwaukee, Minneapolis, Oklahoma City, Omaha, St. Louis, Wichita, and the KC Metro, 2013. Source: 2013 American Community Survey.

The same pattern appears to carry over to our metropolitan comparisons. Most of the metros have a much higher percentage of immigrants who have been here fewer than 15 years compared with national averages (Wichita is an exception). The KC Metro falls in the mid-range in attracting very recent immigrants, those here 5 years or less. As mentioned earlier, the central states are home to a fairly small percentage of immigrants relative to total population, but the share is growing. Midwestern cities such as Omaha, Oklahoma City, and Milwaukee have been foci of this shifting immigration pattern.

Figure 9 examines how the KC Metro's relative number of new immigrants has changed over time. In 2007, new immigrants comprised just over 28% of the immigrant population in the KC Metro. By 2012, this had dropped to just below 16%. In 2013, the number rebounded to about 19%. At the same time, the proportion of immigrants here at least 15 years has grown steadily. While Kansas City continues to attract new immigrants, it also has a substantial population that has stayed in place over time.

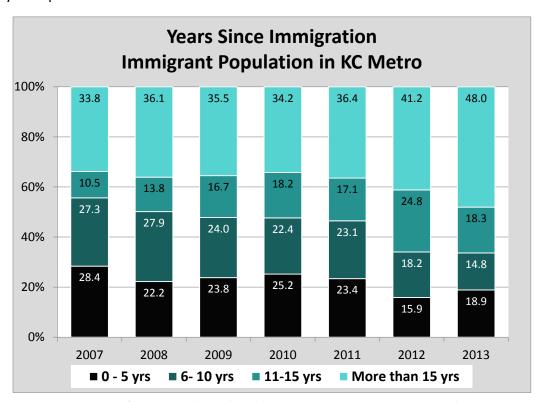


Figure 9: Percentage of Immigrants by Bracketed Years Since Immigration Categories in the KC Metro 2007-2013. Source: 2007-2013 American Community Surveys.

#### **Country of Origin**

Table 11 shows the top five countries of origin for the US, Kansas, Missouri, and the KC Metro for the immigrant population as a whole and for the new immigrant population. In each region, Mexico is by far the top country of origin for all immigrants. India typically takes second place, except in Kansas, where Vietnamese immigrants flowed in to work meat packing jobs in the western part of the state. Recent immigration comes from many areas outside the traditional immigrant clusters. In Missouri, Iraq joins the list of origin countries among recent immigrants. In Kansas, recent immigrants come from China, Honduras, Africa<sup>1</sup>, and Pakistan as well as from Mexico. While the immigrant population in the KC Metro is still dominated by Mexican immigrants, large numbers of recent immigrants come from Pakistan, Cuba, Iraq, and Kenya as well.

	Country of Origin 2013 Immigrant Population								
	All Immig	grants	Recent Immigrants						
Region	Country of Origin	Number of Immigrants	Country of Origin	Number of Immigrants					
US	Mexico	11,560,000	Mexico	904,995					
	India	2,036,327	India	540,962					
	Philippines	1,863,506	China	453,045					
	China	1,786,116	Philippines	252,724					
	Vietnam	1,308,206	Dominican Republic	192,537					
МО	Mexico	40,666	China	6,002					
	India	16,656	India	5,892					
	China	14,310	Mexico	4,319					
	Bosnia	10,725	Iraq	2,854					
	Korea	9,413	Korea	2,334					
KS	Mexico	84,043	Mexico	5,619					
	Vietnam	8,807	China	2,957					
	India	7,285	Honduras	2,467					
	Philippines	6,205	Africa (not specified)	2,419					
	Honduras	5,437	Pakistan	1,958					
КС	Mexico	40,848	Mexico	3,974					
	India	6,441	Pakistan	2,133					
	Honduras	4,557	Cuba	1,553					
	Korea	4,396	Iraq	1,445					
	Vietnam	4,211	Kenya	1,420					

Table 11: Number of Immigrants and Recent Immigrants by Country of Origin in the US, Kansas, Missouri, and the KC Metro 2013. Source: 2013 American Community Survey. Recent Immigrants measured within 1-5 years of arrival in the US.

<sup>-</sup>

<sup>&</sup>lt;sup>1</sup> Distinct country of origin is not specified for some African immigrants.

#### Education

The immigrant population differs significantly from natives in its education distribution. Immigrants have a bimodal education distribution: many immigrants have either less than a high school diploma or some level of graduate education. Natives, however, are most likely to obtain some college education but less than a Bachelor's degree. In comparison with the US, both the KC Metro area and the state of Missouri have a higher share of immigrants with graduate degrees and a lower share of immigrants with less than a high school education. The state of Kansas overall has a high share of immigrants, over 35%, who have not completed high school. Many jobs in the rural areas of Kansas do not require a high degree of formal education.

Previous studies have lacked agreement on whether immigrant and native labor are complements or substitutes. Economic theory predicts that if the supply of workers increases, then in equilibrium, wages will fall. However, Census data from 2000 shows that the relative wages of native high school dropouts is uncorrelated with the relative supply of workers in that educational bracket (Card, 2005). If education determines occupation, then the educational distribution suggests that for many native workers, immigrants may, on average, be more likely to act as complements in the labor market. Some research suggests that immigrants differ by job choice and education, making them imperfect substitutes for native workers (Ottaviano and Peri, 2012).

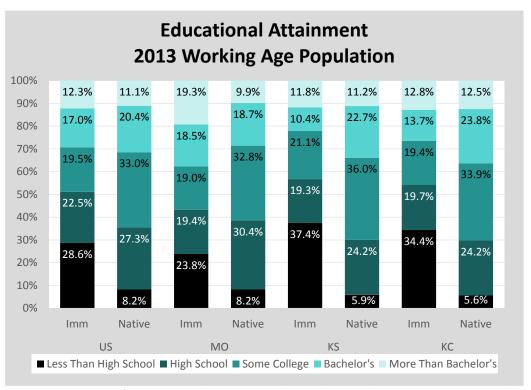


Figure 10: Percentage of Immigrants and Natives in Bracketed Educational Attainment Categories in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey. The prime working age population consists of individuals age 25-64.

#### Language

Figures 11 - 13 depict the percentage of the immigrant population that reports having proficient English speaking skills. English speaking skills have not changed in the US, Kansas, and Missouri between 2000 and 2012. Missouri has a greater percentage of English-speaking immigrants, both currently and historically, than does Kansas. This may be related to the fact that Missouri has a much higher percentage of immigrants living in metropolitan areas. About 75 percent of the immigrant population in the KC Metro reports having good English skills, but approximately 80 percent of the KC immigrant population has been in the country at least five years, and we would expect to observe improved English skills over time. The KC Metro and the state of Kansas have seen increases in English proficiency since 2000 which is likely the result of immigrants becoming more established in the area over time.

In the Figure 12, we examine the English speaking skills of new immigrants and observe, as expected, that the English speaking percentage is lower for this group. Kansas City and the state of Kansas look similar to the US. In Missouri, there appears to be no appreciable difference between new immigrants and immigrants in general. The Kansas City area appears to be in the mid-range for the region in terms of new immigrants' English speaking ability.

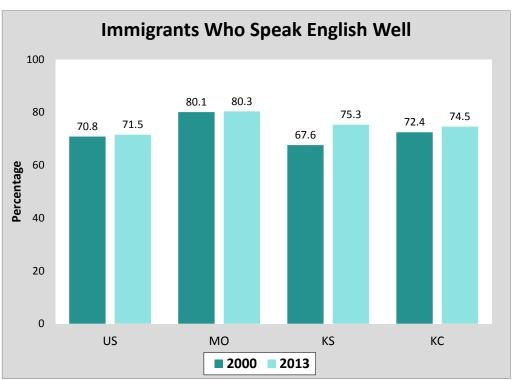


Figure 11: Percentage of Immigrants Self-reporting Good English-speaking Skills in the US, Kansas, Missouri, and the KC Metro, 2000, 2013. Source: Census 2000, 2013 American Community Survey.

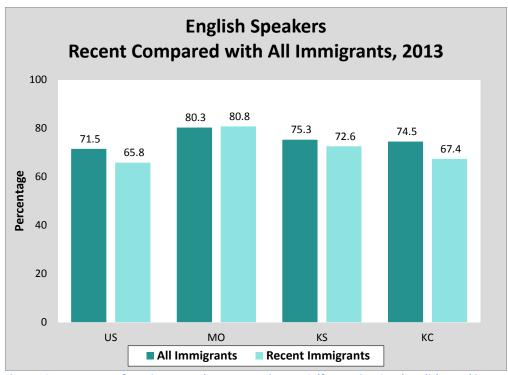


Figure 12: Percentage of Immigrants and Recent Immigrants Self-reporting Good English-speaking Skills in the US, Kansas, Missouri, and the KC Metro, 2013. Sources: Census 2000, 2013 American Community Survey. Recent Immigrants measured within 1-5 years of arrival in the US.

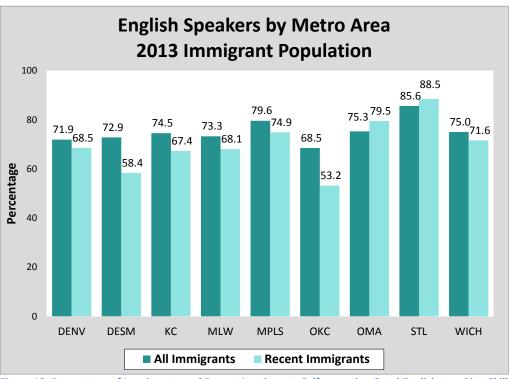


Figure 13: Percentage of Immigrants and Recent Immigrants Self-reporting Good English-speaking Skills in Denver, Des Moines, Milwaukee, Minneapolis, Oklahoma City, Omaha, St. Louis, Wichita, and the KC Metro, 2013. Source: 2013 American Community Survey. Recent Immigrants measured within 1-5 years of arrival in the US.

#### Citizenship

Next we consider the percentage of immigrants that are naturalized citizens by metropolitan area. Figure 14 shows that between 2007 and 2013, most metro areas including Kansas City saw growth in the percent of immigrants attaining citizenship. The national rate is about 47%-the metro areas in our region tend to have a lower rate. Minneapolis and St. Louis stand out for exceeding the national average. Figure 15 examines the KC Metro percentage of naturalized citizens between 2007 and 2013. The seven year timeline for the KC Metro is fairly flat with the exception of a small dip in 2010 and a marked increase in 2012. In 2013, 40% of immigrants were naturalized in the KC Metro.

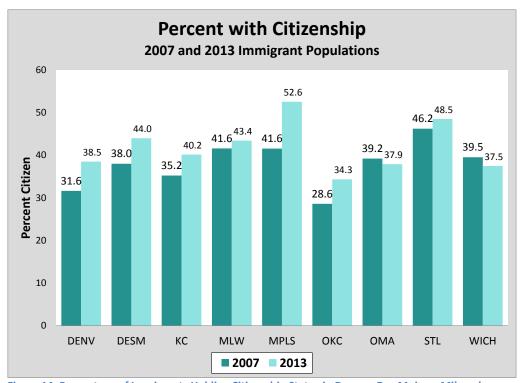


Figure 14: Percentage of Immigrants Holding Citizenship Status in Denver, Des Moines, Milwaukee, Minneapolis, Oklahoma City, Omaha, St. Louis, Wichita, and the KC Metro, 2007 and 2013. Source: 2007 and 2013 American Community Surveys.

Naturalized citizens tend to be better off in terms of wages in the US. On average, these individuals tend to have more work experience in the US, have better English-speaking skills than other immigrants, and tend to have more education on average. It is possible that citizenship status acts as a proxy for these characteristics that are known to have higher returns in the labor market. However, even after controlling for these characteristics, a 5 percent citizenship premium is left unaccounted for. This premium appears to improve outcomes for Latinos and women the most (Sumption and Flamm, 2012). Extrapolating from this research, the gains made in the citizenship rate of the foreign-born population should translate into higher wages and higher productivity for the increasing numbers of naturalized citizens in the KC Metro work force.

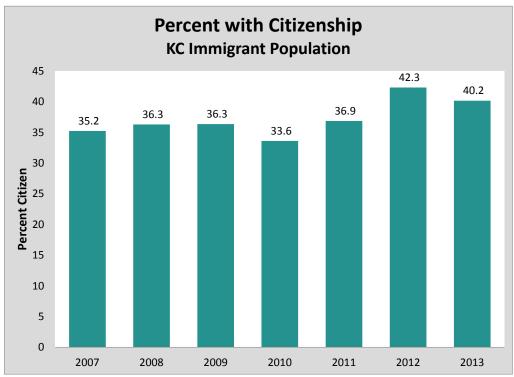


Figure 15: Percentage of Immigrants Holding Citizenship Status in the KC Metro, 2007-2013. Source: 2007-2013 American Community Surveys.

#### **Section 4: Employment and Income**

In this section we examine the labor force participation of the foreign-born population, their occupations, and the resulting wages and income levels.

#### **Labor Force Participation**

To be considered part of the labor force, an individual must be employed or unemployed and looking for work. Figure 16 compares labor force participation rates for immigrants to that of natives for working age individuals—individuals aged 25-64. Since many immigrants come to this country for work opportunities, we might expect that the labor force participation rate for immigrants would be higher than that of natives. However, that does not appear to be the case. In fact, our point estimates suggest that the overall labor force participation rate of immigrants is slightly lower than that of natives for all of the regions examined in this report.

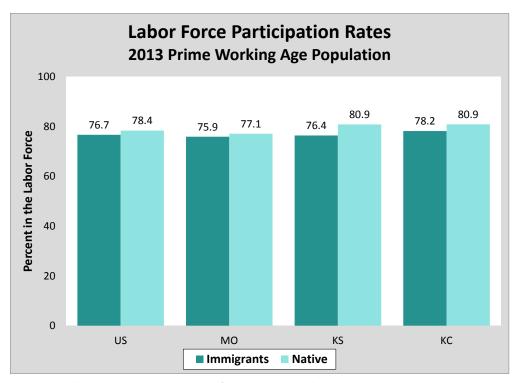


Figure 16: Labor Force Participation Rates for Immigrants and Natives in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey. The prime working age population consists of individuals 25-64 years of age.

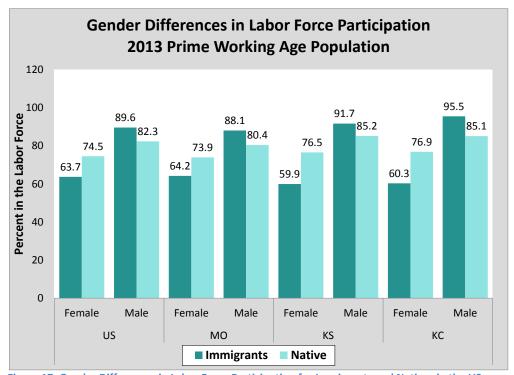


Figure 17: Gender Differences in Labor Force Participation for Immigrants and Natives in the US, Kansas, Missouri, and the KC Metro, 2013. Source: American Community Survey 2013. Workers age 25-64.

This apparent anomaly can be explained by gender differences in labor force participation (Figure 17). In general, female participation rates are lower than male participation rate for the workforce age 25-64. Historically, females devote more of their time to caring for their children and other non-market activities. Gender differences are much more pronounced for the immigrant workforce. In Kansas City, for example, fully 95% of immigrant males participate in the labor force, compared to only 60% of females; this contrasts with a lower percentage of native males (85%) and a higher percentage of native females (77%).

Many factors contribute to the low labor force participation of immigrant females. Some factors include:

- Country of origin—women from some countries, such as El Salvador,
   Guatemala, and the Philippines, actually participate at higher rates than US-born females (American Immigration Council, 2014).
- Work permits—under current rules, spouses and families of H1B workers and student workers are not eligible for work permits. President Obama's controversial Immigration reform plan would open up work opportunities to some H1B spouses.
- Shortages of affordable child care for low-skilled women in low-paying jobs.
- Undocumented status—undocumented women do not have access to subsidized childcare and other social supports that encourage the labor force participation of native-born women.

#### **Employment and Unemployment**

Together, employed individuals plus the unemployed add up to the total labor force. Employment rates for foreign-born and native-born workers are almost identical, regardless of region. In 2013, the employment rate for workers age 25-64 in the KC area was about 95%. Alternatively stated, the unemployment rate was about 5% (Figure 18).

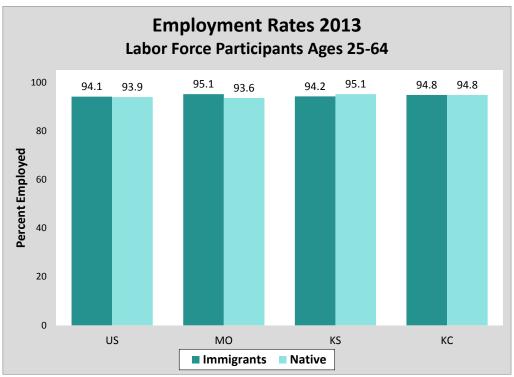


Figure 18 Employment Rates for Labor Force Participating Immigrants and Natives in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey. The Working Age population consists of individuals age 25-64 years of age.

## **Occupations**

Table 12 presents the top six occupations for each of the broad regions along with the number of immigrants in each category. Separate results are broken out for new immigrants. The resulting list is consistent with the figure for educational attainment in that immigrants are clustered in occupations that are low wage, such as meat cutters or high wage, such as computer software developers.

# Self-employment

Although the labor force participation and employment rates of foreign- and native-born adults are similar, several studies document that that foreign-born adults are more likely to be self-employed. Writing in the mid-1980s, Borjas (1986) finds that:

...self-employment rates of immigrants exceed those of native-born men; that there is a strong, positive impact of assimilation on self-employment rates; that more recent waves of immigrants are opting with increasing frequency for the self-employment option... (p. 4)

	·		orking Age Immigrants r Averages 2009-2013
	All Immigrants	Recent Immigrants	
Region	Occupation	Employed	Occupation Employed
US	Cooks	919,454	Cooks 115,241
	Housekeepers and maids	848,814	Computer software developers 114,652
	Nursing aides and orderlies	811,996	Housekeepers and maids 100,999
	Managers and administrators	801,025	Nursing aides and orderlies 99,043
	Janitors	708,974	Managers and administrators 94,296
	Truck, delivery, and tractor drivers	664,220	Instructors (HS/college) 88,751
МО	Cooks	6,686	Instructors (HS/college) 1,458
	Managers and administrators	4,832	Computer software developers 1,129
	Instructors (HS/college)	4,431	Managers and administrators 815
	Housekeepers and maids	3,992	Housekeepers and maids 765
	Janitors	3,772	Cooks 749
	Computer software developers	3,668	Nursing aides and orderlies 725
KS	Cooks	5,880	Instructors (HS/college) 1,131
	Janitors	4,465	Cooks 708
	Housekeepers and maids	3,929	Janitors 658
	Butchers and meat cutters	3,847	Computer software developers 574
	Construction laborers	3,704	Machine operators 570
	Instructors (HS/college)	3,329	Misc food prep workers 570
КС	Cooks	4,356	Housekeepers and maids 751
	Janitors	3,295	Janitors 695
	Housekeepers and maids	3,081	Computer software developers 630
	Computer software developers	2,497	Cooks 541
	Managers and administrators	2,255	Gardeners and groundskeepers 539
	Nursing aides and orderlies	2,046	Nursing aides and orderlies 523

Table 12: Number of Immigrants and Recent Immigrants by Primary Occupation in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey. Recent Immigrants defined as arrivals within last 5 years.

More recently, Sicilian (2009) concludes:

...the incidence of self-employment is slightly higher among immigrants than among native-born persons. Yet the determinants and the earnings consequences, for the most part, are similar to those of native-born self-employed. (p. 44)

In addition, immigrants are more likely to start their own businesses and engage in entrepreneurial activity than natives (Fairlie and Lofstrom, 2013; Kahn, La Mattina, MacGarvie and Ginther, 2013).

We examined Census data from Missouri and Kansas to see if national patterns hold in our region. Figure 19 compares self-employment rates across regions and between foreign- and native-born workers. In the US, 9% of native-born residents and 12% of immigrants are self-employed. In our region, the self-employment rate of non-immigrants is similar to that of the US. But the rate for immigrants is very low in our region, only about two-thirds of the national average.

We also used an alternative data source, the 2007 Census of Business Owners, to examine further the extent to which immigrants own and operate firms (Figure 20). We restrict the sample to firms with under 500 employees – small and mid-sized firms. Nationally, about 12% of firms with employees and 7.5% of owner-operated firms (no employees) have at least one foreign-born owner. In Missouri and Kansas, the percentage of foreign-born owners is much smaller, primarily because the percentage of immigrants in the population is smaller. Missouri's population is about 3.8% immigrants. A slightly higher percent of firms with employees are owned by immigrants (4.6%) and a slightly lower percent of owner-operator firms are owned by immigrants (3.1%). Kansas's population is about 6.5% immigrants, who own 5.4% of the firms with employees and 2.9% of the firms without employees. Thus, unlike immigrants in the rest of the US, immigrants in the bi-state region appear less likely to engage in entrepreneurial activities.

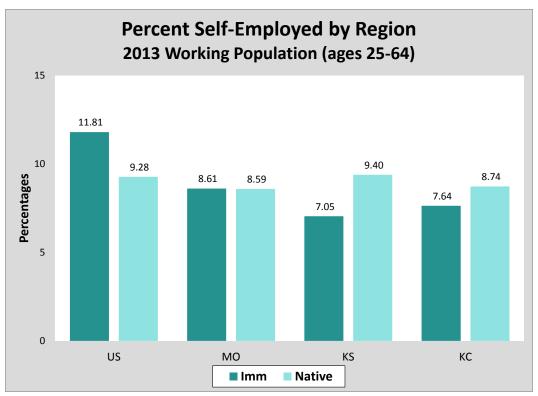


Figure 19: Percent Self-employed in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey.

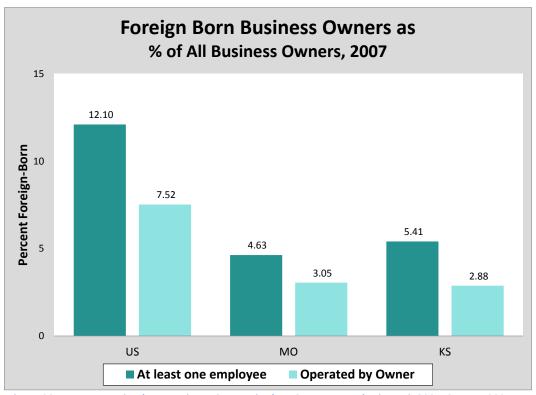


Figure 20: Percent Foreign-born Business Owners in the US, Kansas, and Missouri, 2007. Source: 2007 Survey of Business Owners.

## **Earnings**

Regardless of whether we consider average or median annual wages, for any level of education less than a graduate or professional degree, natives earn more. This is true nationally and in our region. For example, native-born workers with less than a high school education earn about \$7000 more per year than do immigrants with the same education. It may seem surprising then that regardless of region, immigrants with a graduate or professional degree earn more on average than their native counterparts. However, this makes sense if we consider that these highly educated immigrants are often at the top of their field.

This table only considers the stock of immigrants and natives along with their corresponding wages at a particular point in time. It is more meaningful to know how immigrant workers entering an economy affect overall wages. While results are mixed, some research shows that, over time, immigration increases the average wages for native workers (Card, 2009).

Wage Income by Education and Immigrant Status  2013 Full-time Workers  (in 2013 dellars)									
Educational	(in 2013 dollars)       Educational     Immigrant     US     MO     KS     KC								С
Attainment	Status	average	median	average	median	average	median	average	median
Lasa tha a hish ash ash	Native	33,236	27,000	29,897	25,000	32,199	30,000	29,887	26,000
Less than high school	Immigrant	26,929	22,900	29,192	24,000	28,484	26,000	26,737	24,000
High school	Native	39,925	34,100	36,472	31,200	37,641	32,300	40,112	35,000
High school	Immigrant	33,369	27,000	30,788	25,000	32,531	28,000	29,323	23,000
Some college, no	Native	47,115	40,000	42,074	36,000	43,338	36,000	46,716	39,500
degree	Immigrant	42,869	35,000	37,782	30,000	36,886	35,000	37,465	33,000
Bachelor's degree	Native	72,181	56,000	60,643	50,000	61,070	50,000	66,215	53,000
bachelor's degree	Immigrant	68,331	55,000	61,302	56,000	60,636	47,000	69,773	60,000
Graduate or	Native	95,671	70,000	83,003	62,000	82,989	60,000	88,869	69,000
professional degree	Immigrant	103,393	82,000	95,548	75,000	96,547	78,000	105,272	82,000

Table 13: Average and Median Wage Income from 2011 for Immigrants and Natives by Education Level in the US, Kansas, Missouri, and the KC Metro, 2012. Source: 2012 American Community Survey. Full-time workers work at least 30 hours in the typical week and worked 40-52 weeks in the previous year.

## **Poverty**

Next we consider whether there are differences between immigrants and natives in terms of the poverty rate (Figure 21). In all regions immigrants are more likely to live in poverty than are native-born residents. The percentage of the foreign-born population living in poverty is similar for the KC Metro, Kansas, Missouri, and the US: nearly 20% have incomes below the poverty line, and about 45% have incomes below twice the poverty line.

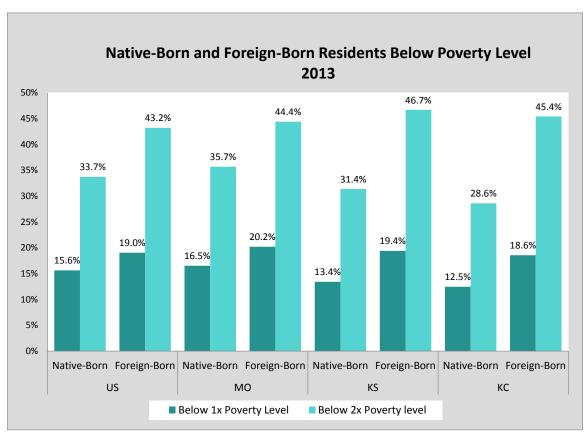


Figure 21: Percent of Immigrants and Natives below the Poverty Line in the US, Kansas, Missouri, and the KC Metro, 2013. Source: 2013 American Community Survey.

In 2014, the poverty line is set just below \$24,000 for a family of four (Office of the Assistant Secretary for Planning and Evaluation). Even if we double poverty line income amounts, a family of four still has a fairly low income. A much higher percentage of immigrants than native-born residents live in households with incomes below two times the poverty level. In the KC Metro, immigrants are about 50 percent more likely to live in poverty or to live in lower income families than are natives (18.6% vs. 12.5% poverty, 45.6% vs. 28.6% lower income). Poor families may create more of a burden on state assistance programs. However, undocumented families may not have access to these benefits.

# **Section 5: Legal Status of Immigrants**

## **Categories of Foreign-born Residents**

This section of the report examines the legal status of the foreign-born. Foreign-born individuals arrive and remain in the US under a wide variety of legal arrangements: temporary and permanent, authorized and unauthorized. The Department of Homeland Security classifies foreign-born non-citizens into four groups. People who enter the country on temporary visas—

workers, students, and others— are classified as "nonimmigrants" because their length of stay in the US is limited. In contrast, "legal permanent residents" or green card holders may remain in the country indefinitely and may apply for citizenship after five years. "Refugees and asylum grantees" are admitted because they face persecution in their home countries; they may work in the US, and they may apply for lawful permanent resident status after one year. Finally, "unauthorized immigrants" enter the US without valid visas or remain in the US after temporary visas have expired.

## **Data and Sources**

Data on the legal status of the foreign-born is highly aggregated, lacking in geographic detail and sometimes incomplete. The American Community Survey that we have used for most of our tables and graphs does not ask about visa type or immigration status (it does ask about citizenship). Data on the legal status of foreign-born non-citizens comes from five main sources: the Department of State, the Department of Homeland Security, the US Department of Labor, the Pew Research Center, and the Institute of International Education. Some of the data are annual flows—for example, the number of people granted lawful permanent status *per year*. Other data are population estimates—for example, the total number of lawful permanent residents in the US in 2013. For some categories of foreign-born residents, both annual flows and population estimates are published. For other categories only a single estimate is available.

# **Temporary Resident Stocks and Flows**

Nonimmigrants obtain valid US visas for temporary stays for tourism, business, study, and work. People in the US on temporary student and work visas generally maintain residences in the US and hence are included among the foreign-born population presented in earlier tables. The US Department of State maintains data on the number of new visas, but does not publish information on geographic destination. For work visas, we use data from the US Department of Labor to pro-rate the data from Department of State, resulting in estimates of annual new Kansas and Missouri residents here on temporary visas.

## **Students**

International students contribute to the economy in several ways. Most importantly, students bring funding from their home countries that is spent locally on tuition, housing, and other goods and services. Additionally, many students work part-time on campus while earning their degrees, thus providing low cost labor to their universities. Finally, international students, especially graduate students in scientific and technical fields, often stay in the US after their education is completed and work in the US. As Table 13 indicates, immigrants with graduate degrees working in the US, Kansas, Missouri, and the KC Metro earn more than natives with similar education levels.

As seen in Table 14 below, the population of international students has grown rapidly in the last several years and is rapidly approaching one million. China contributes about 30% of all international students, India about 12%, South Korea about 8%, and Saudi Arabia about 6%. Within our region, both Missouri and Kansas attract students slightly in excess of what would

be expected based on population alone. Both states have increased the absolute number of students enrolled at their institutions. Kansas may be losing ground in terms of its share of international students—earlier this decade Kansas attracted about 1.3% of all international students; the current share is 1.2%. Missouri may have gained a slight share of the total. Both Missouri and Kansas are strong destinations for students from China. About 34% of Missouri international students and 39% of Kansas students are Chinese citizens, in contrast with 30% nationally. Data for the KC area are not available, but UMKC has increased foreign student enrollment from about 1200 in 2010 to about 1400 today.

	International Students Enrolled in US Universities								
By Academic Year and State									
	US		МО			KS			
Year	Number of Students	Number of Students	Share of Population	Share of Students	Number of Students	Share of Population	Share of Students		
2006	564,766		1.96%			0.93%			
2007	582,984		1.95%			0.92%			
2008	623,805		1.95%			0.92%			
2009	671,616		1.94%			0.92%			
2010	690,923	13,360	1.94%	1.93%	8,922	0.92%	1.29%		
2011	723,277	15,114	1.93%	2.09%	9,389	0.92%	1.30%		
2012	764,495	16,061	1.92%	2.10%	9,277	0.92%	1.21%		
2013	819,644	17,300	1.91%	2.11%	9,568	0.92%	1.17%		
2014	886,052	18,205	1.91%	2.05%	10,631	0.92%	1.20%		

Table 14: International Students in US Universities by Academic Year and State for the US, Missouri, and Kansas. Source: Institute of International Education Open Doors Data. Various years.

## **Temporary Workers**

Temporary workers are generally admitted because their particular skills or experience are not readily available in the US labor market. On one end of the skill spectrum, H1B visas are granted to highly educated workers, particularly in computer science. On the other end of the spectrum, the US admits agricultural (H2A) and less-skilled nonagricultural workers such as gardeners and hotel workers (H2B) for seasonal and temporary work where qualified domestic labor is not readily available. The shortage of domestic workers must be certified by the US Department of Labor for H1B, H2A, and H2B visas. Work visas are driven by employer demand, subject to caps on the total number of workers who can be admitted each year. In most years, requests from employers for H1B visas far exceed the number of visas available. In recent years, a lottery system has distributed visas to applicants subject to the cap.

Data on actual numbers of visas by state are not publicly available. However data on the number of *applications* for visas are provided by the US Department of Labor. We prorated the total visas granted in the US using the proportion of applicants by geographic area. We point out that our estimates for number of visas are just that—estimates based on demand.

### H<sub>1</sub>B

As seen in Tables 15 and 16, neither Missouri, Kansas, nor KC Metro businesses employ H1B skilled foreign-born workers to the extent that would be expected based on area populations. The visas are demand driven, so this may reflect that the economies of the two states and the KC Metro require fewer technical workers than economies of states elsewhere. H1B visa holders in Missouri, Kansas, and the KC Metro work primarily in information technology industries, as is the case nationally. That said, our region still requests far more visas than are granted (because of the visa cap). A recent article in the Kansas City Star points out that over 600 visas were denied in the Kansas City area in 2008 (Stafford 2014). It is likely that the number of rejections has grown since then because of an increase in the number of applications.

The "usual suspects" fill the list of metro areas with the highest numbers of H1-B visas applied for in 2013 (Table 16). New York tops the list as the county's largest metro area, home to about 20 million people. The San Jose "Silicon Valley" area, while home to only 2 million people, makes extensive use of foreign nationals with computer and engineering skills. San Francisco ranks 4<sup>th</sup> in H1B applications, even though it ranks only 11<sup>th</sup> in population. Technology giants such and Pinterest and Twitter have located their headquarters in San Francisco, forming the core of a growing technology complex.

Minneapolis, Milwaukee, and Denver lead the list of H1B visa demand within our region (Table 17). In all of these metro areas, demand exceeds what would be expected based on population alone. Minneapolis and Denver are well-known as technology centers. In Kansas City, demand is lower than would be expected due to population. Nevertheless, it is likely that demand exceeds the actual number of visas granted, due to the visa cap.

H1B visas are important because of their potential impact on total employment in a region. A recent study estimates that during the late 2000s, each H1B created another 1.3 jobs for USborn workers (Peri, Shih, Sparber, and Zeitlin, 2014). Hence the cap on visas may have serious economic costs for states and metros.

## **Other Temporary Workers**

Missouri employs relatively few H2A temporary agricultural workers. In contrast, Kansas employs H2A workers at a higher rate than would be expected based on population, due to the agricultural industry in the state. In Kansas, H2A workers find employment as custom grain harvesters and in corn and other grain operations. In Missouri, H2A visa holders work in the livestock industry and as general farm laborers.

Missouri businesses employ more H2B nonagricultural workers than would be expected based on population; in Kansas, the rate is roughly proportionate. The visas are rationed, and the total number allowed nationally declined dramatically during the recession of the late 2000s. In both states, landscapers and groundskeepers fill the majority of H2B positions.

		Temporar	y Work Vi	sas, H1B,	H2A, H2B		
		New	/ H1B Skille	d Worker V	/isas		
	US		МО			KS	
Year	Number of Visas	Share of Population	Share of Visas	Est # Visas	Share of Population	Share of Visas	Est # visas
2006	135,861	1.96%			0.93%		
2007	154,692	1.95%			0.92%		
2008	130,183	1.95%	1.02%	1,328	0.92%	0.65%	846
2009	110,988	1.94%	1.19%	1,321	0.92%	0.92%	1,02
2010	117,828	1.94%	1.42%	1,673	0.92%	0.58%	683
2011	129,552	1.93%	1.36%	1,762	0.92%	0.58%	751
2012	135,991	1.92%	1.33%	1,809	0.92%	0.56%	762
2013	153,794	1.91%	1.26%	1,938	0.92%	0.60%	923
		New H	2A Agricult	ural Worke	r Visas		
	US		MO	<u></u>	11000	KS	
Year	Number of Visas	Share of Population	Share of Visas	Est # Visas	Share of Population	Share of Visas	Est #
2006	37,149	1.96%			0.93%		
2007	50,791	1.95%			0.92%		
2008	64,404	1.95%	0.49%	316	0.92%	1.27%	818
2009	60,112	1.94%	0.41%	246	0.92%	1.04%	625
2010	55,921	1.94%	0.40%	224	0.92%	1.05%	587
2011	55,384	1.93%	0.31%	172	0.92%	1.10%	609
2012	65,345	1.92%	0.29%	190	0.92%	0.88%	575
2013	74,192	0.91%	0.33%	245	0.92%	0.70%	519
		New H2E	3 Nonagricu	Itural Wor	ker Visas		
	US		МО			KS	
Year	Number of Visas	Share of Population	Share of Visas	Est # Visas	Share of Population	Share of Visas	Est # Visa:
2006	122,541	1.96%			0.93%		
2007	129,547	1.95%			0.92%		
2008	94,304	1.95%	1.84%	1,735	0.92%	0.81%	764
2009	44,847	1.94%	3.12%	1,399	0.92%	1.18%	529
2010	47,403	1.94%	2.67%	1,266	0.92%	0.88%	417
2011	50,826	1.93%	2.70%	1,372	0.92%	0.88%	447
2012	50,009	1.92%	2.36%	1,180	0.92%	0.85%	425
2013	57600	1.92%	2.73%	1,572	0.92%	1.10%	634

Table 15: H1B, H2A and H2B Visas for the US, Kansas and Missouri, 2006-2012. Sources: US Department of State, Report of the Visa Office, various years. US Department of Homeland Security, Yearbook of Immigration Statistics, various years.

Top Metro Areas for H1	.B Visas 2013		
Metro Area	Share of US Population	Share of US H1B Visa Demand	Est # Visas
New York-Newark-Jersey City, NY-NJ-PA	6.31%	12.65%	19,457
San Jose-Sunnyvale-Santa Clara, CA	0.61%	7.40%	11,374
Chicago-Naperville-Elgin, IL-IN-WI	3.02%	4.53%	6,971
San Francisco-Oakland-Hayward, CA	1.43%	4.25%	6,538
Los Angeles-Long Beach-Anaheim, CA	4.15%	3.84%	5,907
Dallas-Fort Worth-Arlington, TX	2.15%	3.84%	5,905
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.91%	3.55%	5,452
Boston-Cambridge-Newton, MA-NH	1.48%	3.10%	4,764
Seattle-Tacoma-Bellevue, WA	1.14%	3.10%	4,760
Atlanta-Sandy Springs-Roswell, GA	1.75%	2.91%	4,476

Table 16: Top Metros for H1B Visas 2013. Sources: US Department of Labor and US Department of State. Calculations by University of Kansas.

H1B Visas in Selected Comparison Metros						
Metro Area	Share of US Population	Share of US H1B Visa Demand	Est # Visas			
Minneapolis-St. Paul-Bloomington, MN-WI	1.09%	2.12%	3,265			
Milwaukee-Waukesha-West Allis, WI	0.50%	1.25%	1,922			
Denver-Aurora-Lakewood, CO	0.85%	1.11%	1,710			
St. Louis, MO-IL	0.89%	0.65%	1,005			
Kansas City, MO-KS	0.65%	0.57%	876			
Des Moines-West Des Moines, IA	0.19%	0.32%	488			
Omaha-Council Bluffs, NE-IA	0.28%	0.27%	414			
Wichita, KS	0.20%	0.17%	261			
Oklahoma City, OK	0.42%	0.15%	237			

Table 17: H1B Visas for Comparison Metro Areas. Source US Department of Labor and US Department of State. Calculations by University of Kansas. Note that KC has 0.65% of the US population but only 0.57% of visas.

### **Permanent Residents**

In the sections below we discuss two types of foreign born permanent residents: legal and unauthorized or undocumented.

## **Legal Permanent Residents: Annual Flows and Total Population**

Legal permanent residents (green card holders) may reside and work in the US on a permanent basis. The Department of Homeland Security estimates that about 13,300,000 people with legal permanent resident (green card) status resided in the United States in 2012 (Rytina, 2013). After living in the US for 5 years, most of these immigrants become eligible for citizenship.

According to data from the Department of Homeland Security (Monger and Yankay, 2013), the US granted permanent resident status to slightly fewer than one million people in 2013. About 54 percent of these people arrived directly from other counties, while 46 percent already lived in the US but changed visa status (for example, from a student visa to a permanent resident). By far the largest class of new legal residents consists of people admitted because of family relationships. Other large classes include people with special labor skills and people with refugee status.

	New Legal Permanent Resident Visas (Green Cards)									
	US		MO			KS			КСМО	
Year	New Visas	New Visas	Share of US Pop	Share of US Visas	New Visas	Share of US Pop	Share of US Visas	New Visas	Share of US Pop	Share of US Visas
2004	946,142	6,782	1.96%	0.72%	4,041	0.93%	0.43%	3,348	0.65%	0.35%
2005	1,122,373	8,744	1.96%	0.78%	4,514	0.93%	0.40%	3,640	0.65%	0.32%
2006	1,266,264	6,857	1.96%	0.54%	4,280	0.93%	0.34%	3,553	0.65%	0.28%
2007	1,052,415	6,459	1.95%	0.61%	4,141	0.92%	0.39%	3,146	0.65%	0.30%
2008	1,107,126	7,078	1.95%	0.64%	5,344	0.92%	0.48%	3,773	0.65%	0.34%
2009	1,130,818	7,142	1.94%	0.63%	5,319	0.92%	0.47%	4,085	0.65%	0.36%
2010	1,042,625	7,151	1.94%	0.69%	5,501	0.92%	0.53%	4,299	0.65%	0.41%
2011	1,062,040	7,048	1.93%	0.66%	5,086	0.92%	0.48%	4,104	0.65%	0.39%
2012	1,031,631	6,635	1.92%	0.64%	4,980	0.92%	0.48%	3,838	0.65%	0.37%
2013	990,553	6,345	1.91%	0.64%	5000	0.92%	0.50%	3,696	0.65%	0.37%

Table 18: New Legal Permanent Resident Visas (Green Cards), 2004-2013. Source: Department of Homeland Security, Yearbook of Immigration Statistics, various years.

The shares of new legal permanent residents living in Missouri, Kansas, and the KC Metro are much smaller than would be expected based on population (Table 18). Many new immigrants locate where family and friends already live. Because much of our geographic area has been "low immigration" historically, the area may fail to attract its share of new legal permanent residents. Overall, Kansas seems to be attracting a slightly greater share of the country's new permanent residents than it did a decade ago, but many of those immigrants are attracted to areas outside the Kansas City Metro area. For example, Wichita attracted over 1000 new

permanent residents in 2012.<sup>2</sup> It is also likely that many of the new permanent residents located with families in the southwestern part of the state.

The Department of Homeland Security publishes estimates of the cumulative total population of permanent residents (new, plus earlier immigrants). Unfortunately, the published data do not include our geographic region. In 2012, lawful permanent residents who had not yet become citizens numbered in total about 13.3 million nationally.

## **Unauthorized Immigrants**

Unauthorized immigrants include people who cross borders into the US without proper documentation, or who overstay tourist, student, or work visas. No fast and firm data exist on counts of this population, but as mentioned earlier, both the Pew Research Center and Homeland Security produce statistical estimates. Both sources show high growth in the unauthorized population between 2000 and 2007, when the population peaked at nearly 12 million (Table 19). After that, the population of unauthorized immigrants started to fall, primarily due to economic conditions, but also due to changes in immigration laws and increased enforcement. In recent years the unauthorized population has remained quite steady at between 11 and 11.5 million (based on Pew numbers).

Estimated Undocumented Immigrant Population (in 1000s)								
	Homeland Pew Mo (Pew) KS (Pew)							
2000	8,480	8,600	35	40				
2001								
2002								
2003		10,100						
2004								
2005	10,500	11,000	55	65				
2006	11,550	11,100	55	65				
2007	11,780	12,000	60	70				
2008	11,600	11,700	60	85				
2009	10,750	11,300	65	95				
2010	10,790	11,400	65	85				
2011	11,510	11,500	70	75				
2012	11,430	11,200	65	75				
2013		11,300						

Table 19: Estimated Number of Undocumented Immigrants (in 1000s), 2000-2013. Source: Department of Homeland Security; Pew Research Center

. . . .

<sup>&</sup>lt;sup>2</sup> Although information on the top 50 metro areas, including KCMO, is available through 2013, information on smaller metros is only available through 2012.

Kansas persistently has been home to a larger population of unauthorized immigrants than Missouri, despite its much smaller total population. The Kansas population ranged from 65,000 to 95,000 during the last 8 years of data, while the Missouri population was more stable, ranging between 55,000 and 70,000. In both states, the current population of unauthorized immigrants is nearly double the year 2000 level. Nationally, unauthorized immigrants comprise about 3.6% of the population (2012), while unauthorized immigrants comprise about 2.6% of the population in Kansas and about 1.1% in Missouri (Table 20). Most unauthorized immigrants in the US are integrated into their communities. Fully 62% have been in the country 10 years or more and 21% have been here 20 years or more. In contrast, only 15% have been in the country 5 or fewer years (Passel, Cohn, Krogstad, and Barrera, 2014). Although we lack detailed geographic data, it is likely that our region follows a similar pattern.

Unauthorized Immigrants as % Population 2012					
US MO KS					
3.57	1.08	2.60			

Table 20: Estimated Undocumented Immigrant Population as a Percent of Total Population, 2012.

According to numbers from the Pew Research Center, approximately 38% of unauthorized immigrants live with US-born children who, under US law, are citizens from birth. Contrary to popular belief, having US-born children gives parents little protection against deportation (although that may change depending on the outcome of President Obama's recent executive order). Currently, the focus of immigration enforcement efforts is to deport criminals and to apprehend people at the border. However, efforts such as apprehension of unauthorized immigrants in the workplace often lead to the deportation of one or both parents of citizen children. Sometimes children leave the country with their parents, sometimes they are left in the care of a relative, and sometimes they enter the foster care system. President Obama's immigration proposals include reforms to protect the parents of citizen children (Shear, Preston, and Parker, 2014).

In 2013, deportations totaled about 440,000 people, less than 4% of the estimated unauthorized population. About 40% of deportees had criminal convictions and probably came to the attention of immigration officials through the law enforcement system (Simanski, 2013). Of the deportees, about 71,000 were parents of citizen children (Foley, 2014). About 80% of this number had criminal convictions, but often for minor offenses.

Another issue concerning children of immigrants is that of "dreamers"—young adults who moved to the US at a young age without documentation. For the most part these young adults grew up in the US and attended school here, but until recently, had no legal status. In 2012, President Obama initiated "Deferred Action for Childhood Arrivals (DACA)," which in summary stops potential deportation of these young people and allows them to apply for and receive legal work permits. DACA has increased economic opportunities for these childhood migrants but does not provide a path to citizenship. Some states, including Kansas, have initiated programs to enhance the options for this group of young adults. In Kansas, "dreamers" may receive in-state tuition at colleges and universities. According to the Kansas Board of Regents,

651 students took advantage of this opportunity in 2014 and 658 in 2013. Missouri does not have a similar policy providing in-state tuition for undocumented young adults.

Whether there should be a path to citizenship for unauthorized immigrants or added protections for the parents of citizen children will continue to be debated. What is clear is that at current "enhanced" levels, deportations will do little to reduce the size of the unauthorized community.

## **Section 6: Economic Effects of Immigration**

We turn now to the economic impacts of immigration. The economic effect of immigration stirs controversy among applied economists and policymakers. Economists use many measures and methods to address the issue, and not surprisingly, reach different conclusions depending on the methods employed. The bulk of the literature indicates that immigration has a small but positive effect on wages and employment of native-born workers. A key question in the immigration literature is whether native and immigrant labor are substitutes for one another (in which case wages of natives may be lowered) or complements, in which case the two types of labor work together, enhancing outcomes of both groups. The issue is far from settled, and it is possible that immigrants and native-born workers are substitutes in some fields and complements in others.

Borjas (2013) finds that immigrants increase the US gross domestic product by about 11%. However, he finds that most of this impact goes to the immigrants themselves. According to Borjas, wages of US-born workers are depressed by about \$1000 annually by immigration, depending on education level. Profits of firms that use low-wage immigrant workers rise. In an earlier study, Borjas (2010) presents evidence that immigration has an especially negative effect on the wages and employment of black males, depressing wages by about 2.5% and employment rates by almost 7%. Borjas (2003, 2004) finds that the impact of immigration on wages is most severe for native-born workers with less than a high school education. The impact of immigration does not depend on whether the immigrants are authorized or not—it is the increase in the potential labor force that causes the impact on wages.

Ottaviano and Peri (2012) arrive at the opposite conclusion of Borjas. They present evidence that immigration has almost no effect on the wages of native workers with less than a high school degree. For native workers in general, immigration has a small positive effect on wages of about 0.6%. New immigration does have a negative effect on the wages of previous migrants of about 6%. In other words, immigrants compete mostly against other immigrants in the labor market. In another study, Peri (2012) uses state-level data and finds that immigration increases investment and specialization. This, in turn, increases employee income. He also finds that immigration has almost no impact on the number of jobs for native-born workers. In a very recent study, Lewis and Peri (2014) look specifically at the impact of immigrants on local economies. In general, they find that higher immigration is associated with higher wages for native-born workers and with higher productivity.

Card (2007; 2009) has researched the impact of immigration and population change for US metropolitan areas. He finds that immigration has a positive effect on population: cities with high immigration also experience inflows of native-born residents. In the same study, Card finds a positive impact of immigration on the wages of native-born workers. Clearly debates continue in the economics literature about the proper data and modeling techniques to estimate the impact of immigration.

Recent research on local immigration in Kansas, Missouri, and St. Louis supports the finding that immigration has a positive effect on the region's economy. Eaton (2013a; 2013b) estimated the multiplier effects of immigration in the states of Kansas and Missouri. In these studies, he accounts for the costs and benefits of adding immigrants to the state economies. Costs include those associated with educating immigrant children and state services. Benefits include the tax revenues generated by immigrant employment as well as jobs created in other sectors in response to the increase in population and employment. Eaton finds that the benefits of immigration in terms of tax revenue exceed the costs in both states. Strauss (2012) examined the economic impact of immigration in the St. Louis metropolitan region. His study suggests that immigration would be beneficial for growing the St. Louis economy.

## The Impact of Immigration in Metropolitan Areas

We adopt an econometric strategy employed by Card (2007; 2009) using data from the American Community Survey from 2007 – 2012 and from the 2000 Census. Our sample includes metropolitan areas with populations in the range 150,000 to 4,000,000. We estimate the effect of immigration on the change in population, employment of US-born workers, and average wages of US-born workers. Following the extensive economics literature, we employ instrumental variables techniques in order to control for the endogeneity of immigrant location. Instrumental variables are characteristics associated with the locational choices of immigrants but uncorrelated with the outcomes we measure. Within the size range of our sample, we experimented to see whether results varied by city size. There did not seem to be significant variation, so the results that we present should be applicable to the KC metro area.

At first glance, it appears that the estimation of the effect of immigration on a variable such as total population should be simple. On one side of the equation would be the outcome variable such as change in total population. On the other side would be change in total immigrants. Unfortunately, this model fails to distinguish causality. Does population growth attract immigrants, do immigrants cause population growth, or both?

Instrumental variables methods use measures that are related to the number of immigrants arriving in a metropolitan area, but uncorrelated with our outcomes (e.g. population growth), in order to identify a causal effect of immigration. Our model uses the previous period's change in immigrants as well as the metro area's baseline share of US immigrants as proxies for current changes in immigrants. The intuition is that immigrant arrivals in a previous period are uncorrelated with current population growth. This conjecture is supported by research that shows that immigrants are more likely to locate in areas where other immigrants are currently located (Massey, 1990). In addition to using instruments for the change in foreign-born

population, we include controls for the current population level and the previous change in total population. If our instrumental variables assumptions are correct, then these estimates identify the causal effect of immigration on the outcomes we study.

```
Model for Wages of Native-born Workers

Log hourly wage of native-born (2012) =

constant +

c1 * share of foreign-born in population (2012)+

c2 * share of workers with college education (2012) +

c4 * log(population) (2012)

Instrument for share of foreign-born (2012):

share of foreign-born (2007)
```

The key coefficients in the above models are a1, b1, and c1, which identify the effect of immigration on population, employment growth, and wages. Table 21 shows the key coefficients and their statistical significance. Coefficients that are greater than one in the first two models indicate that immigration increases population or employment. The coefficient for the third model needs more interpretation because the dependent variable is the logarithm of wages, and the coefficient can be interpreted as the percentage change in wages given a one percent increase in the share of the immigrant population.

The results from the first model suggest that in metropolitan areas, each new immigrant attracts an additional .26 native-born residents. Hence, an increase in 1000 immigrants to Kansas City should increase the total population of the metro area by 1260 people, including the immigrants. Thus, immigrants add to total population growth in metropolitan areas and do not crowd out natives.

The second model indicates that each new immigrant of prime working age leads to 1.23 new jobs—enough for the immigrant and additional native-born workers. Not every immigrant in the 25-64 age bracket participates in the labor market, and not every labor market participant finds employment. Based on Figures 16 and 18, we see that 78.2% of working age immigrants participate in the labor market in Kansas City, and of those 94.8% have jobs. Hence, we estimate that about 74.1% (78.2%\*94.8%) of additional working age immigrants to Kansas City will find employment. Based on calculations that we did for 2013, for each 1000 immigrant employees aged 25-64, Kansas City has another 130 younger or older immigrant employees. The model predicts that in-migration of 1000 new working age immigrants will lead to 1230 total new jobs. Of these, about 740 will go to the new working age immigrants (1000 \* 74.1%), 95 will go to younger or older immigrants, and the remainder (395) will go to US-born workers.

The third model shows a small but positive relationship between the share of immigrants in a metro area and wages of native-born workers. To interpret the coefficient, suppose that the immigrant population increases from a 6.5% share of the population (the approximate value for Kansas City) to a 7.5% share-- a change of 1 percentage point or .01. The log of wages would be expected to change by .0074. Using an average wage of \$25 per hour over all education levels, the model predicts a wage increase of about 19 cents per hour. This is a negligible change, but clearly not negative.

In general, our results indicate that immigrant and native-born workers are complements in metro areas. Thus, additional immigration will likely increase population and employment and have a negligible effect on the wages of natives and immigrants alike—directly contributing to economic growth in the KC Metro.

Regression Results						
Regression	Key variable	Coefficient estimate	Significance level			
Population	change in foreign-born population (2007-2012)	a1=1.26	1%			
Total Employment	change in foreign-born work age population ages 25-64 (2007-2012)	b1=1.23	1%			
Wages of Native- born (log)	Share of foreign-born in total population	c1 = .74	1%			

Table 21: Regression Results, Key Coefficients and Statistical Significance.

These findings are very similar to those in Card (2007; 2009) and Strauss (2012). Immigration increases economic activity and growth in metropolitan areas. This is more likely to be true for the state of Missouri, where immigrants are concentrated in urban areas, than in the state of Kansas, where significant numbers of immigrants live outside of urban areas. Jobs in the rural part of Kansas are more likely to be low-skilled and part of the agriculture industry. Furthermore, we have some evidence that immigrants depress the wages of low-skilled workers (Borjas 2004; 2010). Ideally, we would like to do a comparable study for non-urban immigration; however, the data are not sufficient to support such a study. Non-urban areas are not consistently defined across time in the same way that metropolitan areas are defined by the Census. Furthermore, data on rural areas in the American Community Survey are less likely to be collected and less reliable because they do not have a sufficient sample size of rural residents in the survey. Thus, we cannot determine whether immigration has the same economic impact in non-urban areas as it does in urban areas.

In addition, we did identify above that immigrants are more likely to be impoverished or low-income, especially in the state of Kansas. Low-income families may demand additional state services. Eaton's (2013a; 2013b) estimates for Kansas suggest that the benefits of additional immigrants outweigh the costs associated with providing additional education expenditures and state services to them.

# Section 7: Conclusions about the Economic Impact of Immigrants in Kansas, Missouri and the KC Metro

Kansas, Missouri, and the KC Metro have lower shares of immigrants than the US or comparable metropolitan areas. The region also has lower shares of H1B visa holders, permanent residents, and unauthorized immigrants. In both states, immigrants are just as likely as natives to be employed and participate in the labor force, although there are gender differences in the composition of the immigrant and native-born labor forces. Immigrants are more likely to have lower skills (less than a high school degree) or higher skills (graduate degrees) than natives in the two states. Thus it is not surprising that we find no significant negative effects of immigrants on population and employment growth in our estimated models.

Based on our metropolitan area regressions, the KC Metro would benefit from additional immigrants in terms of population growth, wages, and employment. Compared to many other mid-sized metropolitan areas in our region, the KC Metro has a much smaller share of immigrants. Thus, Kansas City has the capacity to absorb larger numbers of immigrants without experiencing adverse impacts on wages and employment.

In the state of Kansas, immigrants have increased the population in areas of the state that historically have experienced population declines. Many of these immigrants have settled in the southwestern part of the state to work in agriculture-based industries such as dairies and meatpacking. To the extent that population growth is a key contributor to economic growth, policies designed to encourage immigration may pay dividends for the state. In contrast, adopting policies that discourage immigration will likely have a negative impact on population, employment, and economic growth.

The state of Missouri has a very low share of immigrants compared to the nation as a whole and the state of Kansas. Given this low share, Missouri has the capacity to absorb many more immigrants than it currently does. Higher rates of immigration may provide one potential explanation for the growth of the KC Metro economy compared with the stagnation of the St. Louis economy.

The entire region would benefit from an increase in skilled immigrants. Visa flows by state indicate that both Kansas and Missouri attract fewer H1B high-skilled immigrants. Although immigrants are more likely to become entrepreneurs than natives in the country as a whole, that is not the case in the states of Kansas and Missouri. Skilled immigrants are more likely than skilled natives to become entrepreneurs and own small firms. Furthermore, small firms and entrepreneurial ventures are more likely to expand and generate greater economic growth (Kauffman Foundation). Thus, policies designed to attract skilled immigrants would bolster the regional economy.

Overall, our statistical analysis finds that immigrants add to the population and contribute to economic growth in the states of Kansas and Missouri and the KC Metro. We find no evidence that immigrants displace native population or decrease employment. In fact, we find the opposite, that immigrants increase the population and employment rate of metropolitan areas in the United States.

### **Data Sources**

# **IPUMS (Integrated Public Use Microdata Series)**

**Purpose**: IPUMS harmonizes Census and other individual-level data (microdata) by providing a constant set of variable names and value coding across years. In particular, we used IPUMS to extract data from the American Community Survey 1-year micro samples for 2007-2012. We also used the Census 2000 microdata. We aggregated underlying microdata to build most of the tables and figures in the report. The use of microdata allowed us to define tables (such as those for workers age 25-64) that are not available in standard Census publications.

**Citation**: Ruggles, Steven; Alexander, J. Trent; Genadek, Katie; Goeken, Ronald; Schroeder Matthew B.; and Sobek, Matthew. 2010. *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota.

Website: https://www.ipums.org/

# **American Community Survey (ACS) Summary Files**

**Purpose**: The U.S. Census Bureau pre-tabulates data from the ACS for small geographic areas such as counties. For areas of small population, estimates only are available for 5-year aggregates. The data were used to generate county-level maps for Missouri, Kansas, and the Kansas City Metro.

**Citation**: U.S. Census Bureau. 2008-2012 American Community Survey 5-Year Estimates: 5-Year Summary File. http://www.censU.S..gov/acs/www/data documentation/summary file/.

## **Survey of Business Owners**

**Purpose**: We used the survey to tabulate foreign- and native-born business ownership for firms with under 500 employees for Figure 19.

**Citation**: U.S. Census Bureau. 2007. Survey of business Owners: Public Use Microdata Sample (PUMS): 2007. <a href="http://www.census.survey.con/sbo/pums.html">http://www.census.survey.con/sbo/pums.html</a>.

# **U.S. Department of Homeland Security (DHS)**

**Purpose**: We used the DHS *Yearbook of Immigration Statistics* for annual flows of permanent and temporary residents. The annual flow data from DHS show numbers of "admissions" rather than numbers of new visas. We used the admissions numbers to estimate geographic details from the data on new visas available from the U.S. Department of State. We used the annual *Estimates of the Unauthorized Immigrant Population Residing in the United States* for the report section on legal status of residents.

### Citations:

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## **U.S.** Department of State

**Purpose**: the Department of State provides data on new visas issued annual by type of visa. The data do not contain geographic detail. For H1B visa estimates, we prorated the data using "certifications" data from the Department of Labor.

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## **U.S. Department of Labor**

**Purpose**: The U.S. Department of Labor certifies applications for H1B and other temporary work visas. Not all applications are granted because there are caps on the annual issue of work visas. We used the applications data to add geographic detail to the data on the total number of visas published by the Department of State.

**Citation**: U.S. Department of Labor, Employment and Training Administration. (undated). Office of Foreign Labor Certification (OFLC) Disclosure Data. Downloadable

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## **Pew Research Center**

**Purpose**: The Pew Research Center estimates the number and characteristics of unauthorized immigrants. Their reports provide state-level approximations.

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## Institute of International Education

**Purpose:** This organization provides estimates of the total number of international students residing in the US by year.

# **Citations:**

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