



The Role of Immigrants in the New York City Economy

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Report 8-2014

November 2013

Highlights

- New York City has the largest immigrant population of any city in the nation.
- The immigrant population more than doubled over the past four decades, accounting for all of New York City's population growth during that period.
- Immigrants represented 37 percent of New York City's population in 2011 and came from all over the world.
- New York City's immigrant population is the most diverse of any large city in the nation. Unlike many other large cities, New York City does not have a large concentration of immigrants from just one country.
- Immigrants represented 44 percent of the City's workforce in 2011.
- Overall, immigrants in New York City were hit harder by the Great Recession than the native-born population, but they quickly made a comeback.
- By 2011, immigrants accounted for a higher share of gross city product and a larger number of workers than before the recession.
- OSC estimates that in 2011, immigrants accounted for \$210 billion in economic activity, or about 31 percent of New York City's gross city product.
- Queens and Brooklyn had the highest concentrations of immigrants among the five boroughs in 2011.
- Between 2000 and 2011, the Census-defined neighborhoods with the highest concentrations of immigrants had stronger business growth than the rest of the City.

Throughout our nation's history, New York City has been a magnet for immigrants from other countries seeking religious and political freedoms and economic opportunities. Waves of immigrants have helped drive New York City's economic growth and contributed to its cultural diversity, and this trend has continued into the 21st century.

In recent decades, the City's immigrant population has grown rapidly, which has helped strengthen the City's economy. During the 2000s, immigrants made great economic strides, with strong wage growth and high workforce participation. New York City's immigrants are resilient; although they experienced greater setbacks than the native-born population during the Great Recession, they have more than rebounded in recent years.

In January 2010, the Office of the State Comptroller (OSC) issued a report that concluded that the ten Census-defined neighborhoods with the highest concentrations of immigrants showed stronger economic growth than the rest of the City. This report concludes that this trend has continued.

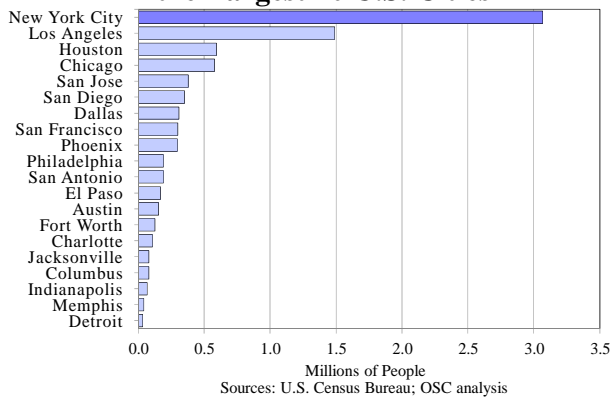
Immigrants in New York City represent a majority of workers in a wide range of occupations, and accounted for 44 percent of the City's entire workforce in 2011. Immigrants also make up a significant portion of New York City's entrepreneurs.

Throughout the City, immigrants have helped revitalize neighborhoods such as Coney Island, Corona, Elmhurst, Flushing, Jackson Heights, Washington Heights and many others. OSC estimates that in 2011, immigrants accounted for \$210 billion in economic activity in New York City. In the future, as the economy diversifies and the City adapts to new business demands, it will no doubt rely on and benefit from the innovative energies and skills of its immigrant population.

A City of Immigrants

As a large, dynamic city where opportunities are plentiful and diversity is valued, New York City is attractive to people from all over the world. Within the United States, New York has the highest number of immigrants (i.e., any foreign-born resident who is not a U.S. citizen at birth) of any city. New York's immigrant population is twice that of Los Angeles, the next city most populated by immigrants (see Figure 1).

Figure 1
2011 Foreign-Born Population in the Largest 20 U.S. Cities



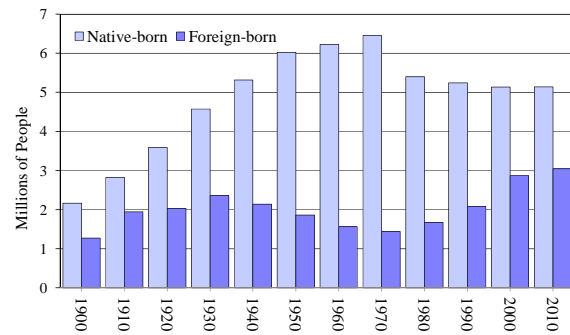
During the 20th century, immigrants' share of the City's population peaked at 41 percent in 1910. The immigrant share then declined steadily, and by 1970, immigrants represented only 18 percent of the total population. Over the following decades, the share of immigrants grew, and by 2011 it had doubled, to reach 37 percent.

While the immigrant populations in San Jose and Los Angeles (both 39 percent) represent slightly greater shares of the total population than in New York City, the City's immigrant population is more diverse. Unlike many other large cities, New York City does not have a large concentration of immigrants from any one country. In 2011, for example, more than 50 percent of the City's immigrant population came from ten countries (ranked from the largest: the Dominican Republic, China, Mexico, Jamaica, Ecuador, Guyana, Haiti, Trinidad & Tobago, India and Bangladesh). Other countries, including Russia, South Korea, Colombia, Ukraine, Poland, Italy, the Philippines and Pakistan, were also well-represented.

From 1970 to 2010, New York City's overall population increased by 4 percent. During the same period, the population of immigrants in the

City more than doubled, while the native-born population declined by 20 percent (see Figure 2).

Figure 2
Population Trends in New York City



The Workforce

Nearly 1.9 million immigrants, including 290,000 commuters, work in New York City. In 2011, nearly half of the City's entrepreneurs (i.e., self-employed business people) were immigrants.

Immigrants accounted for 44 percent of the total workforce, and made up the majority of workers in a variety of industries (see Figure 3). Each industry includes a broad range of occupations; those primarily associated with the industry (such as doctors and nurses in health care) along with other supporting occupations (such as staff for business and administrative tasks, building maintenance, etc.).

Figure 3
Immigrants' Employment Share by Industry

Industry	Share
Personal Services (e.g., nail salons, dry cleaning)	73%
Automotive and Repair Services	62%
Construction	59%
Arts, Entertainment and Recreation	55%
Health Care and Social Assistance	53%
Transportation	53%
Manufacturing	50%
Retail and Wholesale Trades	46%
All Industries	44%
Financial Activities	35%
Business Services	33%
All Other Industries	33%
Educational Services	29%
Information	19%

Sources: U.S. Census Bureau; OSC analysis

Figure 4 shows the 25 occupations in New York City with the most immigrant workers (including commuters), sorted by the share of immigrants in each occupation. The immigrants in these occupations make up nearly half of the total immigrant workforce in the City. The five

occupations with the most immigrant workers are: nursing, psychiatric and home health care aides; janitors and building cleaners; maids and housekeepers; taxi drivers and chauffeurs; and construction laborers.

Figure 4
Occupations With the Highest Concentration of Immigrants in New York City

Occupation	Share
1 Taxi Drivers and Chauffeurs	88%
2 Maids and Housekeepers	83%
3 Chefs and Head Cooks	79%
4 Cooks	76%
5 Construction Laborers	75%
6 Nursing, Psychiatric and Home Health Aides	75%
7 Food Preparation Workers	75%
8 Personal Care Aides	71%
9 Carpenters	67%
10 Child Care Workers	65%
11 Janitors and Building Cleaners	62%
12 Drivers and Truck Drivers	61%
13 Registered Nurses	59%
14 Waiters and Waitresses	57%
15 Cashiers	55%
16 Physicians and Surgeons	49%
17 First-Line Supervisors of Retail Sales Workers	49%
Total New York City Workforce	44%
18 Accountants and Auditors	40%
19 Retail Salespersons	40%
20 Security Guards and Gaming Surveillance Officers	39%
21 Financial Managers	35%
22 Designers	34%
23 Other Managers	32%
24 Secretaries and Administrative Assistants	27%
25 Elementary- and Middle-School Teachers	25%

Note: These 25 occupations have the greatest number of immigrant workers in New York City

Sources: U.S. Census Bureau; OSC analysis

Although immigrants make up significant shares of the workforce in lower-paying occupations, they are also well-represented in many higher-paying occupations. Among the occupations that employ the most immigrant workers, several require specialized skills, including physicians and surgeons, accountants and auditors, and financial managers.

The links among education, higher employment rates and better-paying jobs are well established. Recent trends reported by the New York City Department of Education show that immigrants have a higher high school graduation rate than those born in the United States, which suggests that immigrants are likely to continue to play a critical role in the City's economy. While a smaller share of the immigrant population holds four-year bachelor degrees compared to the native-born population, the disparity narrows with increasing levels of higher education and is virtually indistinguishable at the doctorate level.

Economic Contributions

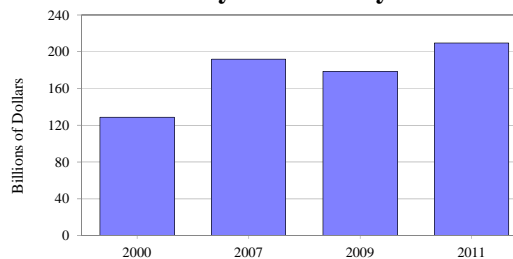
According to OSC estimates, immigrants accounted for \$210 billion in economic activity in New York City, or about 31 percent of the City's gross city product (GCP) in 2011. From 2000 to 2011, immigrants' contribution to the City's economy has grown, increasing by 63 percent (more than double the rate of inflation), which was faster than the growth rate for the contribution by the native-born population (53 percent).

Much of this growth can be attributed to high workforce participation and wage increases. During this period, immigrants' share of the workforce increased from 40 percent in 2000 to reach 44 percent in 2011. OSC estimates that during the same period, the average annual growth rate in immigrant wages was nearly 4 percent, outpacing the rate of inflation as well as wage growth among the native-born population (nearly 3 percent).

Immigrants were hit harder by the recession than the native-born population, but quickly made a comeback. From 2007 to 2009, immigrant wages shrank by 12 percent, while native-born wages declined more modestly (9 percent). Similarly, the share of active workers who were foreign-born also shrank.

Over the next two years, immigrant wages grew by 16 percent (faster than the wages of the native-born population), and by 2011, immigrants accounted for a higher share of active workers than before the recession. This rebound helped drive the increase in immigrants' contribution to GCP, which, exceeded pre-recession levels by 2011 (see Figure 5).

Figure 5
Immigrants' Contribution to New York City's Gross City Product



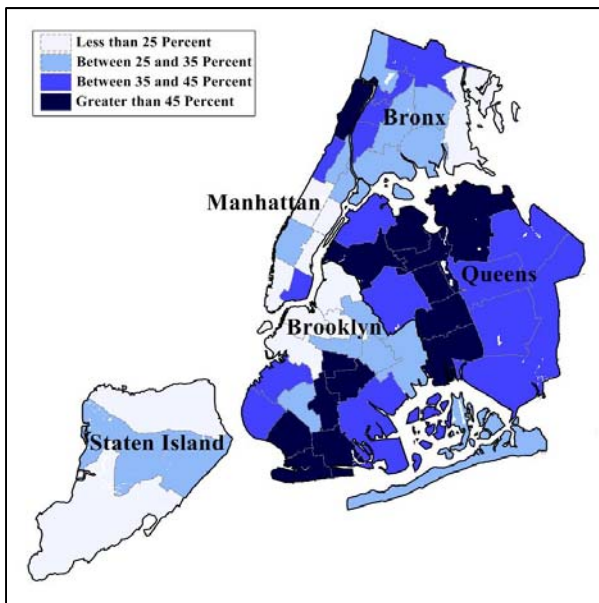
Note: Gross City Product estimates utilize data from IHS Global Insight, the NYS Department of Labor and the U.S. Census Bureau.
Source: OSC analysis

Neighborhoods

Neighborhoods form the heart of New York City, and immigrant communities contribute to each neighborhood's dynamic characteristics. The composition of neighborhoods has shifted over time, as waves of different immigrant groups have entered the City.

The U.S. Census Bureau defines 55 geographic areas in New York City and names them by one or more of the largest neighborhoods associated with the area.¹ Figure 6 shows the concentration of the City's immigrant population in 2011 in these Census-defined neighborhoods.

Figure 6
Concentration of Immigrants in New York City by Census-Defined Neighborhoods in 2011



Sources: U.S. Census Bureau; OSC analysis

In 2011, Queens (48 percent) and Brooklyn (37 percent) had the highest concentrations of immigrants among the five boroughs. All but one of the ten Census-defined neighborhoods with the greatest concentrations of immigrants were located in either Queens or Brooklyn (see Figure 7). The one exception is the area known as Washington Heights/Inwood in Manhattan, where nearly half of the residents were immigrants in 2011.

¹ The boundaries of these areas do not precisely correspond to their neighborhood names.

Figure 7

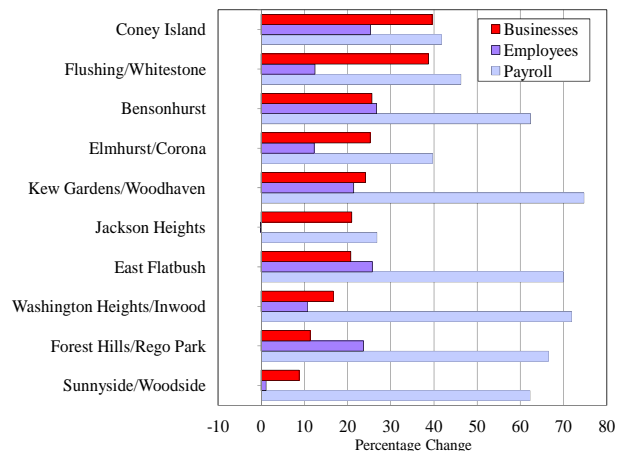
Ten Census-Defined Neighborhoods with the Highest Concentration of Immigrants in 2011

Neighborhood	Borough	Share
Elmhurst/Corona	Queens	70%
Jackson Heights	Queens	63%
Sunnyside/Woodside	Queens	60%
Coney Island	Brooklyn	59%
Flushing/Whitestone	Queens	57%
Bensonhurst	Brooklyn	55%
East Flatbush	Brooklyn	52%
Forest Hills/Rego Park	Queens	49%
Washington Heights/Inwood	Manhattan	49%
Kew Gardens/Woodhaven	Queens	49%

Sources: U.S. Census Bureau; OSC analysis

In January 2010, the Office of the State Comptroller published a report, *The Role of Immigrants in the New York City Economy*, in which OSC found that the ten Census-defined neighborhoods with the highest concentrations of immigrants showed stronger business growth than the rest of the City from 2000 to 2007. As discussed below, this trend has continued.

Figure 8
Business Growth in the Ten Census Neighborhoods with the Highest Concentrations of Immigrants (2000 to 2011)



Sources: U.S. Census Bureau; OSC analysis

From 2000 to 2011, the number of businesses in these areas grew by nearly 23 percent (concentrated in small firms), compared to growth of 7 percent in the rest of the City (see Figure 8). The growth in employees and in the payroll at these firms also outpaced growth in the rest of the City, with the number of employees increasing by 11 percent compared to 4 percent, and payrolls increasing by 56 percent compared to 40 percent.