BUILDING WASHINGTON’S FUTURE
EXECUTIVE SUMMARY: Immigrant Workers’ Contributions to Our State’s Economy

ONE AMERICA
With Justice for All
Formerly Hate Free Zone
ACKNOWLEDGEMENTS

The authors would like to thank Luis Fraga for his many valuable edits, insights, and suggestions on early drafts. We are also grateful to Tom Medina for his suggestions and clarifications on public benefits and Yi Zhou and Erica Gardner at the Office of Financial Management for compiling data on Washington’s immigrants for the New Americans Policy Council, which we were able to use for this report. Thanks are also extended to Jon Wyss and Kris Mason for explaining the details of their work and providing insight into the worlds of agricultural business and highly skilled immigrants respectively. Thanks to Luzmila Freese, OneAmerica intern, for her diligent work on tidying up the report. We are grateful to OneAmerica Communications Director Naomi Ishisaka who transformed our work into a well designed publication. Finally, we thank the immigrant workers of Washington State who contribute in so many ways to keeping our economy strong and prosperous.

ABOUT ONEAMERICA

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EXECUTIVE SUMMARY

Report finds immigrant workers contribute significantly to economy and provides recommendations to support future contributions.

THE REPORT IS DIVIDED into four primary sections:

- Immigrants in Washington State: From 1880 to the Present
- Washington's Immigrant Workforce
- Contributions of Immigrants to Washington's Economy
- Indispensable Workers.

The fifth section provides policy recommendations for Washington state to consider to increase contributions immigrants make to Washington's economy.

The key findings from each section are highlighted below.

IMMIGRANTS IN WASHINGTON STATE: FROM 1880 TO THE PRESENT

Washington's economic growth has always been fueled by the contributions of immigrant workers, more than many other states across the country. From 1900-1910, Washington's population grew by 120 percent, a growth rate significantly higher than the national average at that time. This demographic change was part of a strategic growth plan promulgated by Washington's governors, chambers of commerce, and businesses to draw immigrants to the state to build the infrastructure needed to create an economically thriving state.

Washington's rapid growth today is also fueled by an indispensable immigrant workforce that is diverse in ethnicity and geographically spread out across the state. A century later, immigrant workers are crucial to Washington's long-term economic success, in fields as diverse as agriculture, high-technology, and research. As in the early 20th century, Washington's demographic changes far outpace other states in the country. From 1990-2000, the number of foreign born in Washington increased by 97 percent, making the state tenth in number of foreign born, 15th in percentage of total population, and fifth for refugee resettlement.

Immigrants are integral to every county in Washington. While it used to be true that immigrants tended to be clustered in specific counties, this is no longer the case. The largest percentages of foreign born compared to total county population are in Franklin, Adams, King, Yakima, Grant, Douglas, Chelan and Snohomish counties, which all have higher percentages than the national average.

WASHINGTON'S IMMIGRANT WORKFORCE


Immigrant workers in Washington constitute significant percentages of the workforce in a variety of industries. Immigrant workers make up 62.5 percent of farming, fishing and forestry workers (primarily Latin American); 19.5 percent of production, transportation and material moving workers (primarily Asian and Latin American); 19.1 percent of service workers (primarily Asian and Latin American); 11.5 percent of management professional workers (primarily Asian); and 9.8 percent of sales and office workers. Immigrant workers help Washington compete globally. The foreign workforce adds necessary skills and cultural understanding that helps Washington businesses extend into markets overseas. About 16.4 percent of people living in Washington speak two languages and the majority are foreign-born.

Many of Washington's immigrant workers are “underemployed,” working in occupations where their college de-
Immigrants contribute nationally to bolstering the U.S. Social Security system and supporting the retiree boom. Because of demographic shifts, both legal and undocumented immigrants are helping to support the approximately 10,000 baby boomers retiring every day over the next two decades. According to the Social Security Administration nationally, undocumented immigrants have contributed $57.8 billion in unclaimed wages to the Social Security system, contributions that will never be claimed. Estimates also suggest that new legal immigrants will provide a net benefit of $611 billion to Social Security over the next 75 years.

Washington's foreign-born workforce has equal percentages (28 percent) of workers with a college degree or higher and workers with less than a high school diploma. Although we do not have Washington specific numbers, nationally, approximately 21.6 percent of college-educated immigrant workers were in occupations where their backgrounds were underutilized with recently arrived Latin American and African immigrants faring the worst.

Naturalization has become increasingly important through the years as an effective immigrant integration strategy, and is especially crucial in a down economy. In 2007, only 8.6 percent of legal permanent residents eligible for citizenship in Washington became citizens. For legal permanent residents who are eligible, the process of naturalization (becoming a citizen) is an important strategy for providing economically sound and stable lives for immigrant workers. Citizenship helps further workforce development, increased wages, asset building, social mobility and integration into the formal economy. Currently, there are approximately 170,000 legal permanent residents eligible for citizenship in Washington.

CONTRIBUTIONS OF IMMIGRANTS TO WASHINGTON’S ECONOMY

Immigrants contributed $1.48 billion in tax revenue to Washington's economy in 2007. The foreign born account for 13.2 percent of all taxes paid in Washington state, slightly higher than the overall percentage of foreign born households. Low income foreign born households pay the highest percent of their income to taxes – about 14.2 percent.

Washington's Asian and Hispanic buying power accounted for over $28 billion or about 11.5 percent of the state's total consumer market. Nationally, Washington state ranked seventh in size of Asian Consumer Market and 13th in size of Hispanic Consumer Market. From 1990-2008, Asian and Hispanic buying power grew by 442.8 percent and 494.5 percent, respectively.

Washington's immigrants contribute to the economy, both in participation in the formal housing market and transportation-related expenses. All immigrant groups except Latin Americans have a median home value above that of the U.S. born home value. Immigrants who are not home owners contribute substantially to the economy as renters. Over 90 percent of every group besides African immigrants has access to one or more vehicles, contributing to the economy through dollars spent on car tabs, gas, insurance and vehicle maintenance.

Growth in immigrant populations means a growth in overall buying power and tax revenue contributions of immigrants in Washington state. As the state's immigrant population grows, so too does Washington's multicultural economy and overall buying power.

Immigrants contribute nationally to bolstering the U.S. Social Security system and supporting the retiree boom. Because of demographic shifts, both legal and undocumented immigrants are helping to support the approximately 10,000 baby boomers retiring every day over the next two decades. According to the Social Security Administration, nationally, undocumented immigrants have contributed $57.8 billion in unclaimed wages to the Social Security system, contributions that will never be
claimed. Estimates also suggest that new legal immigrants will provide a net benefit of $611 billion to Social Security over the next 75 years.

Immigrants rely on federal safety net programs less than their native born peers. This is partially due to restrictions on safety net services for undocumented immigrants and bars that preclude legal permanent residents from many services (including Food Stamps, Medicaid, TANF and SSI) until they have been in the country for five years.

In Washington, immigrant households utilize public assistance at rates that are the same or lower than native born households, with the exception of food stamps. A slightly higher percentage (4 and 5 percent respectively) of Asian and European households receive SSI benefits compared to African, Latin American and native born households (3 percent). Immigrants on average receive food assistance at greater rates than the U.S. born, 11.6 percent compared to 8 percent.

Undocumented immigrants contribute significantly to the state and the national GDP. The Perryman Group estimates that removing undocumented immigrants would cause great damage to the U.S. economy, eliminating $1.757 trillion in spending and $651.511 billion in lost output per year for the U.S. In 2006, the National Bureau of Economic Research found that 90 percent of American workers found themselves with higher wages as a consequence of immigration. Some researchers believe this is because native workers may find themselves with specialized knowledge that boosts them into supervisory positions that would not have existed without these new immigrant workers. Washington’s GDP is dependent on undocumented immigrants who make up about 5 percent of the workforce.

Washington ranks eighth in a list of states that would suffer the highest per-capita losses if the undocumented workforce was removed. Depending on if the workforce was removed all at once or over time, Washington state could lose $14 billion to $46 billion in lost expenditures, and Washingtonians could lose $600 to $1.700 of personal income per capita.

National experts believe that worker shortages will continue to exist in the face of rising unemployment due to worker mismatch. For example, workers may find themselves in the wrong geographic region and unwilling or unable to move. Laid off financial industry workers may be unwilling to work in agriculture or in other jobs they find unappealing. As long as this mismatch continues, the health of the U.S. economy is tied to the constitution of its immigrant workforce.

INDISPENSABLE WORKERS

In 2000, Washington’s immigrant entrepreneurs contributed approximately $1.3 billion or 9.8 percent of total state business income and provided a significant number of jobs. In 2000, Washington ranked tenth in percent of immigrant business owners operating within a state, with slightly over 10 percent of all business owners being immigrants. In Washington, Asians and Hispanics own 5.7 percent and 2.2 percent of businesses, respectively. In 2007, Hispanic businesses generated $1.5 billion in total revenues, employing 15,852 people. On average, Asian and Hispanic businesses employ 7.02 and 3.42 full time workers respectively.

Corporations, universities and research institutions rely on H-1B visa workers, who also help increase “complementary” job opportunities for native born workers. In Washington, Microsoft, University of Washington, Washington State University, Boeing, and Fred Hutchinson Cancer Research Center employ the most H-1B workers. Just a few of these positions include senior health policy analysts, professors and post-doctoral fellows, biochem-
ists, naturopaths, software engineers and teachers. The National Foundation for American Policy estimated, based on a survey of businesses, that each H-1B hire generates one or more “complementary jobs” at their business or in the local economy.

The U.S. is in a worldwide competition for the best engineers, scientists and mathematicians, but is unable to bring in some of the top foreign born scientists because of immigration policy. In testimony before the U.S. Congress, Laszlo Bock, VP of People Operations at Google, described a “fierce worldwide competition” for the world’s best engineers, scientists and mathematicians, stating: “If U.S. employers are unable to hire those who are graduating from our universities, foreign competitors will … we also cannot hope to grow our economy and create more jobs if we are ceding leadership in innovation to other nations.” The National Science Foundation also voiced concern over a decline in foreign science students staying in the U.S. after graduation combined with the high numbers of U.S. born scientists and engineers beginning to retire.

**POLICY RECOMMENDATIONS**

Washington must quickly invest in strategies that support the two-way integration of immigrants into our communities. Specifically, four strategies emerge as undoubtedly accelerating immigrant integration and immigrant contributions to our communities and economy: Investing in English Language services (particularly connected to the workplace), Naturalization Assistance, and Entrepreneur Assistance; and pushing for federal immigration reform.

**Invest in English language services.** English-proficiency is related to the economic self-sufficiency of immigrants and their ability to contribute to the economy. Limited English Proficiency can restrict immigrants from participating in work training programs, earning professional certifications, or passing the citizenship exam. The Migration Policy Institute has found that Limited English Proficient (LEP) individuals are twice as likely to work in occupations that do not utilize their backgrounds as their peers with proficient English skills.

**Invest in naturalization assistance.** Gaining citizenship leads to higher earnings and helps immigrants integrate socially. The large numbers of legal permanent residents eligible for citizenship, combined with the very small number of those who actually naturalized in recent years, suggest that there is an untapped potential in Washington state to significantly increase the number of people who obtain their citizenship and, as a result, are able to access better jobs and fully integrate into their communities.

**Invest in immigrant entrepreneurs.** Immigrant businesses make tremendous economic contributions both in terms of revenue and job creation. Strategies to draw immigrant entrepreneurs to Washington or assist immigrants in Washington with opening or growing a business could generate more revenue for our economy. Washington must invest more resources and attention to providing immigrant entrepreneurs with access to capital or navigating bureaucratic regulations.

**Push for federal immigration reform.** Comprehensive immigration reform can fuel further economic contributions by immigrants and must also consider the current economic contributions of immigrants. Contributions of immigrants and immigrant workers must be factored in to a federal solution that tackles the need to provide stability to workers who are here and address the future flows of workers. National reform must be driven by the fact that industries rely on large numbers of documented and undocumented workers and that providing rights to all workers ensures protection against exploitation, lessens the underground economy, and ensures fair pay for all workers.
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by Luis Ricardo Fraga

Immigrants hold a unique position in how America understands itself. We take great pride in our history as a nation founded, enriched, and transformed by immigrants. The pilgrims who first arrived on the Atlantic shore sought religious freedom in coming to North America. Through their hard work, perseverance, and ingenuity they established the foundations of many of our current values, cultural practices, and governmental institutions.

It is hard to argue that this newfound freedom, and its related opportunities and responsibilities, were at the heart of their decision to wage a revolution against Great Britain. Although those engaged in that revolution are likely to have shared a common bond as colonialists, much of their identity was bound by their attachments to their specific colonies. They revolted against the British as Virginians, Carolinians, and Pennsylvanians more than they did as members of a new nation-state. However, it was in forging an effective national government on the second try in 1787 that a new national identity as “Americans” began to evolve in earnest. It was in establishing new structures of common purpose, leading to a common destiny linking the fates of citizens living in disparate parts of the country, that what we now understand as our common national identity was forged. Common purpose, common destiny, linked fate, and national identity were built through conscious choice and action in the United States. As a nation of immigrants, we did not have the luxury of inheriting a national identity.

The subsequent growth in the American population, geographical boundaries of the United States, and in the American economy have always been directly linked to new immigrants coming to the United States. In pursuing what is now known as the “American Dream,” more recent waves of immigrants came to taste their own new freedom, build new opportunities for themselves and their families, and accept the responsibilities of citizenship that further enriched and continually transformed American national identity. We are familiar with how immigrant laborers were directly responsible for the rise of the U.S. as a major industrial power at the turn of the 20th century. Many of us are much less familiar with the critical role of immigrants and immigrant labor in the Union Army during the Civil War, the building of our national railroads, the growth of agribusiness in the Southwest and West, and the transformation of our national politics to a competitive two-party system.

Yet, despite this central role that immigrants have played in the evolution of our country, they have also been the targets of some of the worst instances of racism, nationalism, xenophobia, and blatant discrimination ever practiced in the United States; practices that too often built on the legacies of violence imposed on Native
peoples, African slaves, and their descendants. Beginning with the Alien and Sedition Acts of 1798, the development of the Know Nothing Party in the 1840s, the Treaty of Guadalupe Hidalgo in 1848, the Chinese Exclusion Act in 1882, and more recently Executive Order 9066 that interned Japanese nationals and Japanese Americans in 1942, an honest read of our American history teaches us that despite our immigrant origins, we have often been extremely comfortable, and confident, blaming immigrants for the nation’s perceived ills, whether that was economic downturn, war, or perceived threats to mainstream cultural values and practices. With the benefit of hindsight, an honest examination of American history teaches us that anti-immigrant policies and practices have never served the public interest in the long run. In fact, such policies and practices have more often imposed long-term damage to the nation’s ability to grow and prosper through the building of a more informed, inclusive, diverse citizenry.

This report, *Building Washington’s Future: Immigrant Workers’ Contributions to Our State’s Economy*, is designed to help our state’s residents, citizens, and leaders gain a clearer understanding of the direct contributions current immigrants make to the building of economic growth and prosperity in the state of Washington. As immigrants have always done in the nation as a whole, immigrant workers in Washington today are critical contributors to our state’s economy as workers, tax payers, and consumers. The state of Washington is an ideal focus for such a report. Unlike other states that have chosen to respond to current challenges regarding the nation’s financial crisis, threats to national security, and need for reductions in public expenditures by imposing harsh and often unconstitutional anti-immigrant laws and other policies, our state has chosen instead to establish a New Americans Policy Council to offer recommendations to the Governor as to how the state can better support immigrants as they build lives and communities in our state. Many community-based and advocacy organizations working on behalf of immigrants and their families thrive in our state because they consciously work to establish and strengthen relationships to many of the state’s leaders in both the public and private sectors. The understanding of common purpose, common destiny, and linked fate among all of the nation’s residents and citizens – whether native born, immigrant, or naturalized – have always been central to America at its best. This report gives all of us in the state of Washington a foundation on which to build that understanding.
THROUGHOUT THE HISTORY OF THE UNITED STATES, the issue of immigration has been at the center of public debates and discussions. However, even in the best of years, the economic role of immigrants is often neglected during these debates. In a year like 2009, marked by a drastic economic downturn, the economic role of immigrants may be brought to the forefront but in a way that fuels misperceptions, stereotypes, and rhetoric.

In Washington state, as in many states across the country, there has yet to be a state-specific report that looks factually at the demographic changes to Washington’s population over the last several decades, the current demographics of immigrants in the state, and the contributions of immigrants to the economy. Building Washington’s Future: Immigrant Workers’ Contributions to Our State’s Economy attempts to fill this gap. The report outlines demographic trends related to immigrants in Washington; immigrant contributions to the economy through consumption, taxes, and their use of public benefits; the role of immigrants in the workforce and their direct contributions to a variety of industries as “unskilled” workers, immigrant entrepreneurs, and H-1B visa holders.

REPORT STRUCTURE

This report is divided into five sections. The first section assesses demographic patterns among Washington’s immigrants from 1900 to the present. It looks at the origins of Washington’s immigrants in 1910 and today, compares our percentages to national averages, and examines where immigrants now live in Washington state.

The second section examines traits of the U.S. born and immigrant workforce in Washington state. It looks at the percentages of immigrant workers in various industries, the demographics of the native born population and what that means for growth in the labor market.

The third section provides an in-depth look at the contributions of immigrants to Washington’s economy. Specifically, this section assesses the amount of taxes immigrant households pay, the buying power of immigrant families, and immigrants’ use of public benefits.

The fourth section examines three different types of immigrants: largely undocumented workers in occupations that do not require much previous training; immigrant entrepreneurs and the contributions of immigrant businesses to Washington’s economy; and H-1B workers in Washington.

The final section provides policy recommendations on how Washington state can further increase the contributions of immigrants to its economy.

METHODOLOGY

This report utilizes data and reports from several government agencies including the U.S. Census, American Community Survey (ACS), Department of Homeland Security U.S Citizenship and Immigration Services and Office of Refugee Resettlement, and U.S. Department of Commerce Bureau of Economic Analysis. Policy think tanks including the Migration Policy Institute, Pew Hispanic Center, and Urban Institute provided valuable reports and MPI’s Data Hub provided Washington state specific information.

Because this report relies heavily on Census data, specifically
on the ACS, it carries with it the advantages and limitations of the data. The Census is an excellent source of information. With only a few exceptions, the Census remains consistent in its question phrasing over time and the categorizations of data such as income level, educational attainment, etc. making it a useful tool for making comparisons across decades and analyzing population trends. However, with rapidly changing communities, Census data can quickly be outdated. Fortunately, the ACS provides yearly information. The ACS surveys a sample of the population. The Census includes a much greater number of respondents than the ACS, but both have sampling error. The ACS sampling error is greater because its number of respondents is fewer. When the data level is quite small, the sampling error may be so large that the data is not reliable. For example, due to a low number of foreign born respondents in a county, the ACS survey would have only captured a minimal amount of them as actual respondents, making it difficult to provide estimates for the larger group of foreign born in that county. The smaller a group, the more difficult it is to get reliable data. Because of sampling error and the smaller number of respondents ACS data is considered an estimate. Lastly, the Census and ACS include a large variety of respondents within “noncitizen,” disabling the researcher from making comparisons across legal status groups.

**TERMINOLOGY**

In this report, we use the term foreign born and immigrant interchangeably. By immigrant we mean a person born outside the country. However, an immigrant family or household may include a U.S. born child, spouse, or other relatives.

The authors use the term “indispensable workers” to encapsulate all immigrant workers, from the informal vendor to the venture capital firm owner; from the home care assistant to the doctor, to recognize the inextricability of the U.S. economy from all of its immigrant workers. It does not suggest any distinction between “essential” industrials and non-essential industries, recognizing that hi-tech industries and agriculture are equally indispensable to the U.S. economy. Further, it uses “indispensable” instead of “unskilled” or “skilled” to bring to light the fact that many immigrants have skills or education gained in their home country that they have been unable to transfer to a U.S. occupation. Additionally, the term indispensable values all workers and all work. It does not differentiate between the skills needed to program a computer, pick apples, read an X-ray, or work the line at a poultry plant, which depending on the worker might be a difficult task.

This report utilizes data and reports from several government agencies including the U.S. Census, American Community Survey (ACS), Department of Homeland Security U.S Citizenship and Immigration Services and Office of Refugee Resettlement, and U.S. Department of Commerce Bureau of Economic Analysis. Policy think tanks including the Migration Policy Institute, Pew Hispanic Center, and Urban Institute provided valuable reports and MPI’s Data Hub provided Washington state specific information.
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The key findings from each section are highlighted below.

IMMIGRANTS IN WASHINGTON STATE: FROM 1880 TO THE PRESENT

Washington's economic growth has always been fueled by the contributions of immigrant workers, more than many other states across the country. From 1900-1910, Washington's population grew by 120 percent, a growth rate significantly higher than the national average at that time. This demographic change was part of a strategic growth plan promulgated by Washington's governors, chambers of commerce, and businesses to draw immigrants to the state to build the infrastructure needed to create an economically thriving state.

Washington's rapid growth today is also fueled by an indispensable immigrant workforce that is diverse in ethnicity and geographically spread out across the state. A century later, immigrant workers are crucial to Washington's long-term economic success, in fields as diverse as agriculture, high-technology, and research. As in the early 20th century, Washington's demographic changes far outpace other states in the country. From 1990-2000, the number of foreign born in Washington increased by 97 percent, making the state tenth in number of foreign born, 15th in percentage of total population, and fifth for refugee resettlement.

Immigrants are integral to every county in Washington. While it used to be true that immigrants tended to be clustered in specific counties, this is no longer the case. The largest percentages of foreign born compared to total county population are in Franklin, Adams, King, Yakima, Grant, Douglas, Chelan and Snohomish counties, which all have higher percentages than the national average.

WASHINGTON'S IMMIGRANT WORKFORCE


Immigrant workers in Washington constitute significant percentages of the workforce in a variety of industries. Immigrant workers make up 62.5 percent of farming, fishing and forestry workers (primarily Latin American); 19.5 percent of production, transportation and material moving workers (primarily Asian and Latin American); 19.1 percent of service workers (primarily Asian and Latin American); 11.5 percent of management professional workers (primarily Asian); and 9.8 percent of sales and office workers. Immigrant workers help Washington compete globally. The foreign workforce adds necessary skills and cultural understanding that helps Washington businesses extend into markets overseas. About 16.4 percent of people living in Washington speak two languages and the majority are foreign-born.

Many of Washington's immigrant workers are “underemployed,” working in occupations where their college de-
Immigrants contribute nationally to bolstering the U.S. Social Security system and supporting the retiree boom. Because of demographic shifts, both legal and undocumented immigrants are helping to support the approximately 10,000 baby boomers retiring every day over the next two decades. According to the Social Security Administration nationally, undocumented immigrants have contributed $57.8 billion in unclaimed wages to the Social Security system, contributions that will never be claimed. Estimates also suggest that new legal immigrants will provide a net benefit of $611 billion to Social Security over the next 75 years.

degrees are not utilized. Washington’s foreign-born workforce has equal percentages (28 percent) of workers with a college degree or higher and workers with less than a high school diploma. Although we do not have Washington specific numbers, nationally, approximately 21.6 percent of college-educated immigrant workers were in occupations where their backgrounds were underutilized with recently arrived Latin American and African immigrants faring the worst.

Naturalization has become increasingly important through the years as an effective immigrant integration strategy, and is especially crucial in a down economy. In 2007, only 8.6 percent of legal permanent residents eligible for citizenship in Washington became citizens. For legal permanent residents who are eligible, the process of naturalization (becoming a citizen) is an important strategy for providing economically sound and stable lives for immigrant workers. Citizenship helps further workforce development, increased wages, asset building, social mobility and integration into the formal economy. Currently, there are approximately 170,000 legal permanent residents eligible for citizenship in Washington.

CONTRIBUTIONS OF IMMIGRANTS TO WASHINGTON’S ECONOMY

Immigrants contributed $1.48 billion in tax revenue to Washington’s economy in 2007. The foreign born account for 13.2 percent of all taxes paid in Washington state, slightly higher than the overall percentage of foreign born households. Low income foreign born households pay the highest percent of their income to taxes – about 14.2 percent.

Washington’s Asian and Hispanic buying power accounted for over $28 billion or about 11.5 percent of the state’s total consumer market. Nationally, Washington state ranked seventh in size of Asian Consumer Market and 13th in size of Hispanic Consumer Market. From 1990-2008, Asian and Hispanic buying power grew by 442.8 percent and 494.5 percent, respectively.

Washington’s immigrants contribute to the economy, both in participation in the formal housing market and transportation-related expenses. All immigrant groups except Latin Americans have a median home value above that of the U.S. born home value. Immigrants who are not home owners contribute substantially to the economy as renters. Over 90 percent of every group besides African immigrants has access to one or more vehicles, contributing to the economy through dollars spent on car tabs, gas, insurance and vehicle maintenance.

Growth in immigrant populations means a growth in overall buying power and tax revenue contributions of immigrants in Washington state. As the state’s immigrant population grows, so too does Washington’s multicultural economy and overall buying power.

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claimed. Estimates also suggest that new legal immigrants will provide a net benefit of $611 billion to Social Security over the next 75 years.

Immigrants rely on federal safety net programs less than their native born peers. This is partially due to restrictions on safety net services for undocumented immigrants and bars that preclude legal permanent residents from many services (including Food Stamps, Medicaid, TANf and SSI) until they have been in the country for five years.

In Washington, immigrant households utilize public assistance at rates that are the same or lower than native born households, with the exception of food stamps. A slightly higher percentage (4 and 5 percent respectively) of Asian and European households receive SSI benefits compared to African, Latin American and native born households (3 percent). Immigrants on average receive food assistance at greater rates than the U.S. born, 11.6 percent compared to 8 percent.

Undocumented immigrants contribute significantly to the state and the national GDP. The Perryman Group estimates that removing undocumented immigrants would cause great damage to the U.S. economy, eliminating $1.757 trillion in spending and $651.511 billion in lost output per year for the U.S. In 2006, the National Bureau of Economic Research found that 90 percent of American workers found themselves with higher wages as a consequence of immigration. Some researchers believe this is because native workers may find themselves with specialized knowledge that boosts them into supervisory positions that would not have existed without these new immigrant workers. Washington’s GDP is dependent on undocumented immigrants who make up about 5 percent of the workforce.

Washington ranks eighth in a list of states that would suffer the highest per-capita losses if the undocumented workforce was removed. Depending on if the workforce was removed all at once or over time, Washington state could lose $14 billion to $46 billion in lost expenditures, and Washingtonians could lose $600 to $1,700 of personal income per capita.

National experts believe that worker shortages will continue to exist in the face of rising unemployment due to worker mismatch. For example, workers may find themselves in the wrong geographic region and unwilling or unable to move. Laid off financial industry workers may be unwilling to work in agriculture or in other jobs they find unappealing. As long as this mismatch continues, the health of the U.S. economy is tied to the constitution of its immigrant workforce.

INDISPENSABLE WORKERS

In 2000, Washington’s immigrant entrepreneurs contributed approximately $1.3 billion or 9.8 percent of total state business income and provided a significant number of jobs. In 2000, Washington ranked tenth in percent of immigrant business owners operating within a state, with slightly over 10 percent of all business owners being immigrants. In Washington, Asians and Hispanics own 5.7 percent and 2.2 percent of businesses, respectively. In 2007, Hispanic businesses generated $1.5 billion in total revenues, employing 15,852 people. On average, Asian and Hispanic businesses employ 7.02 and 3.42 full time workers respectively.

Corporations, universities and research institutions rely on H-1B visa workers, who also help increase “complementary” job opportunities for native born workers. In Washington, Microsoft, University of Washington, Washington State University, Boeing, and Fred Hutchinson Cancer Research Center employ the most H-1B workers. Just a few of these positions include senior health policy analysts, professors and post-doctoral fellows, biochem-

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ists, naturopaths, software engineers and teachers. The National Foundation for American Policy estimated, based on a survey of businesses, that each H-1B hire generates one or more “complementary jobs” at their business or in the local economy.

The U.S. is in a worldwide competition for the best engineers, scientists and mathematicians, but is unable to bring in some of the top foreign born scientists because of immigration policy. In testimony before the U.S. Congress, Laszlo Bock, VP of People Operations at Google, described a “fierce worldwide competition” for the world’s best engineers, scientists and mathematicians, stating: “If U.S. employers are unable to hire those who are graduating from our universities, foreign competitors will … we also cannot hope to grow our economy and create more jobs if we are ceding leadership in innovation to other nations.” The National Science Foundation also voiced concern over a decline in foreign science students staying in the U.S. after graduation combined with the high numbers of U.S. born scientists and engineers beginning to retire.

POLICY RECOMMENDATIONS

Washington must quickly invest in strategies that support the two-way integration of immigrants into our communities. Specifically, four strategies emerge as undoubtedly accelerating immigrant integration and immigrant contributions to our communities and economy: Investing in English Language Services (particularly connected to the workplace), Naturalization Assistance, and Entrepreneur Assistance; and pushing for federal immigration reform.

Invest in English language services. English-proficiency is related to the economic self-sufficiency of immigrants and their ability to contribute to the economy. Limited English Proficiency can restrict immigrants from participating in work training programs, earning professional certifications, or passing the citizenship exam. The Migration Policy Institute has found that Limited English Proficient (LEP) individuals are twice as likely to work in occupations that do not utilize their backgrounds as their peers with proficient English skills.

Invest in naturalization assistance. Gaining citizenship leads to higher earnings and helps immigrants integrate socially. The large numbers of legal permanent residents eligible for citizenship, combined with the very small number of those who actually naturalized in recent years, suggest that there is an untapped potential in Washington state to significantly increase the number of people who obtain their citizenship and, as a result, are able to access better jobs and fully integrate into their communities.

Invest in immigrant entrepreneurs. Immigrant businesses make tremendous economic contributions both in terms of revenue and job creation. Strategies to draw immigrant entrepreneurs to Washington or assist immigrants in Washington with opening or growing a business could generate more revenue for our economy. Washington must invest more resources and attention to providing immigrant entrepreneurs with access to capital or navigating bureaucratic regulations.

Push for federal immigration reform. Comprehensive immigration reform can fuel further economic contributions by immigrants and must also consider the current economic contributions of immigrants. Contributions of immigrants and immigrant workers must be factored in to a federal solution that tackles the need to provide stability to workers who are here and address the future flows of workers. National reform must be driven by the fact that industries rely on large numbers of documented and undocumented workers and that providing rights to all workers ensures protection against exploitation, lessens the underground economy, and ensures fair pay for all workers.
IMMIGRANT WORKERS BUILD WASHINGTON’S ECONOMY IN 1910

From 1900-1910, Washington state’s population grew by 120.4 percent, experiencing a growth rate six times higher than national averages at the turn of the century. This demographic change was part of a strategic growth plan promulgated by Washington’s governors, chambers of commerce, businesses, and railroad companies to draw immigrants to the state. Civic organizations to attract immigrants sprang up across the state in towns like Walla Walla, Olympia, and Port Townsend. Newspaper editors ran advertisements highlighting the prospects awaiting immigrants, and business groups published directories of industries and commercial opportunities. Jorgen Dahlie, a professor of immigration history, writes, “Throughout all these appeals ran the theme that Washington needed only the immigrant to fulfill the optimistic predictions for the territory’s future growth.”

By 1910, Washington had the highest proportion of domestic and foreign migrants of any state in the Union. In fact, half of the state’s population was comprised of first or second generation immigrants. Scandinavian immigrants hailing from Sweden, Holland, and Norway and their children were the largest ethnic group in Washington around the turn of the 20th century.

IMMIGRANTS FUEL WASHINGTON’S GROWTH AT END OF 20TH CENTURY

One hundred years later, immigrant workers remain vital contributors to our state’s economic growth. The lure of the frontier may have faded, but our industries and seaports remain strong and we have significant high-technology and agricultural sectors that draw immigrants from around the world and across the country.

Washington is part of a national trend in immigration. In 1990, 75 percent of all immigrants lived in just six states: California, New York, Texas, Florida, Illinois and New Jersey. By 1999, the distribution of immigrants changed profoundly, impacting the entire country. In one decade the overall percentage of immigrants in the top six states dropped 66 percent, while 22 other states saw their foreign-born population increase by over 90 percent in the same decade.

The rapid growth in immigrants led Washington to be classified by researchers as a “new growth state.” From 1990-2000, the number of foreign born in Washington increased by 97 percent, and, in the following six years, the number of foreign born increased by another 29.2 percent. These growth rates far surpass the national averages of 60 percent and 20.7 percent. The New Growth state designation was given to states that experienced over 90 percent growth rates in their immigrant population during the last decade of the 20th century.
Today, Washington is:

- Tenth in number of foreign born;12
- Fifteenth in percentage of total population;13
- Fifth for refugee resettlement;14
- Second for secondary migration of refugees. 15

Today’s immigrants are extremely diverse, coming largely from Asia and Latin America. Today’s Washingtonian immigrants are incredibly diverse, unlike many other states with immigrants primarily from Latin America. Washington most resembles other states with large numbers of Asians and resettled refugees like Maryland, Virginia, Michigan, and Minnesota. The majority of immigrants in Washington hail from Asia (39.1 percent) and Latin America (31.2 percent), while the top three countries of birth for Washington’s foreign born are Mexico (26.3 percent), the Philippines (7 percent), and Vietnam (6.4 percent).16 (See Appendix C, Table One Place of Birth of Washington’s Foreign Born 2005-2007 for detail.)

Immigrants move further from cities, nationally and in Washington. The 2000 census shows that immigrants across the country were moving away from inner city areas that had established immigrant services and into suburbs. This has intensified the effects of immigration and the need for services to be distributed across a large region.17 It
requires counties with limited or non-existent immigrant services infrastructure to forge their own paths to successfully integrate new immigrants into education, mental and public health facilities, and social services.

In Washington, immigrants are not limited to the International District of Seattle but are dispersed across the suburbs of the Puget Sound region. Further, the 1990 and 2000 census revealed an intensification of Latinos in the middle regions of the state. Washington’s immigrants constitute significant portions of many counties across the state.

**Immigrants are integral to every county in Washington.**

Many counties across Washington have high percentages of foreign born residents and must take a proactive approach to addressing the needs and contributions of this growing population. The largest percentages of foreign born are in (decreasing order): Franklin, Adams, King, Yakima, Grant, Douglas, Chelan, and Snohomish. All of these counties have a higher percentage than the national average (12.5 percent) of foreign born.
Chinese immigrants have been major contributors to the society and economy of Washington and the United States since their arrival in the mid-19th century. These immigrant workers were crucial to the development of Washington. The construction of the Transcontinental Railroad and the Central Pacific Railroad is a testament to their contributions to the progress of the United States overall. Working for the railroad was dangerous hard work. Chinese laborers were hired to lay line, level roads, and blast holes through mountains. When the railroads were completed many of the workers decided to stay in Washington where they worked in salmon canneries, mining, and lumber. As farmers, many Chinese transformed their plots into rich arable lands. Their farming techniques were assimilated by other farmers, helping develop the state's agricultural business.

In Seattle, Chinese immigrants helped to construct the first canal that connects Lake Union with Lake Washington. In Tacoma, some Chinese immigrants were merchants.

Despite Chinese immigrants' numerous contributions, the mid-1880's economic depression changed the way Americans treated Chinese workers. During the Depression, Euro-Americans became angry that Chinese immigrants were hired at much lower wages and feared the Chinese cheap labor would take jobs and drive down American wages. Chinese immigrants, like today's' immigrants, also remitted money to their families overseas. The stability that this money gave to less developed countries was ignored and this practice fueled further resentment. In 1889, the Seattle Post-Intelligencer ran an interview where a Chinese merchant predicted that there would be no Chinese in Seattle by 1900. The graph (Figure 1) of European immigrants from the 1910 Census masks the earlier contributions of Chinese immigrants and the mass expulsions of Chinese immigrants in the mid 1880's.

Anti-Chinese sentiment came to a head in Washington in late 1885-1886. In February 1886, 350 Chinese immigrants in Seattle were forced into wagons and then onto a steamer and transported south. A few months before in Tacoma nearly all of the Chinese immigrants were expelled by a mob of several hundred angry citizens.

Lum Ko’s story is recorded in American Studies professor Jean Pfaelzer’s book, “Driven Out.” Ko describes how his house was burned down by the mob. He lost his wife’s sanity, his belongings, and his business of ten years:

My wife refused to go and some of the white persons dragged her out of the house. From the excitement, the fright and the losses we sustained through the riot she lost her reason, and has ever since been hopelessly insane. Armed white men were behind the Chinese, on horseback sternly urging them on . . . I sustained the following losses through the riot, to wit: 2 pieces silk crepe trousers female, 2 pieces black silk, 6 silk handkerchiefs, 2 crepe jackets, 10 blue cotton shirts, 8 pieces black cotton trousers, 12 Pairs Chinese Cotton Stockings, 2 Leather trunks (Chinese), wool great dress female, 4 flannel jackets, 3 pairs embroidered shoes, 1 dressing case, 6 white cotton shirts, 1 carpet bag, 2 white woolen blankets, 2 red woolen bed covers, 1 feather mattress, 1 spring bed, 2 tables, 6 chairs, 2 stoves, 4 pictures and frames, 1 large mirror, 2 woolen trousers (male) and solvent debtors (Chinaman), 1 business and good will, loss of perishable goods, total $45,532.
Immigrants work in a wide variety of industries and their cross cultural knowledge and skills help Washington’s economy thrive.

The changing demographics of Washington’s native born population have contributed to an enormous need for foreign born workers. As in many states, Washington’s population is aging and has a dearth of young native-born workers. In addition, there is little to no growth in the native born labor force. It is predicted that workers 55 and over will increase by slightly over 4 percent a year from 2004-2014, but workers 25-54 will only increase by a rate of 0.3 percent. The U.S. Labor Department reports that 28 million jobs for “unskilled workers” will be available in the United States over the next 10 years and only 15 million “unskilled” native-born workers entering the job market over the same time period. Drawing younger labor to America has become a necessity, to support our industries and to support our retirees.

The younger immigrant workforce helps buttress the economy. Young immigrant workers help balance the decline in young native born workers, filling crucial jobs in construction, healthcare, hospitality, agriculture, and even research and engineering. In the U.S., approximately 80.6 percent of the foreign born population is working age (between the ages of 18-64) compared to 62.8 percent of the total U.S. population. In Washington, 78.1 percent of the foreign born population is working age compared to 64.4 percent of the total population and 62.5 percent of the native born population. Our economy depends on this youth injection and would collapse if these jobs were left unfilled.

- Greater percentage of immigrants are working age, regardless of region of origin
- Africans and Latin Americans have the highest rates of labor force participation, at 75.1 percent and 74.2 percent respectively

Immigrant workers now represent 14.3 percent of Washington's civilian workforce. This represents a doubling of foreign born workers since 1990 when foreign born workers represented only 7.1 percent of the total workforce. From 1990-2000 the number of foreign born workers grew by 93.6 percent. Between 2000 and 2006, the number of foreign-born workers in Washington grew by 42.5 percent. In 2007, Washington state ranked 13th in growth in foreign born labor force nationwide.

Immigrants play key roles and complement U.S. born workforce

Immigrants work in a wide range of occupations. The top three occupations of foreign-born workers in Washington state are: management, professional, and related occupations (29.5 percent); service occupations (21.6 percent); and sales and office occupations (16.6 percent).

Native born and foreign born work in all occupations, but some groups contribute more to specific occupations. The native born make up the bulk of workers across all occupations. As represented in Figures 7-9:

- Asian workers are the largest group of foreign born in management and professional occupations.
- Latin American and Asian workers are the largest group of foreign born in service occupations, at 8 per-

Figure 5: Comparing Workforce Traits U.S. Born and Immigrants (2005-2007)

Figure 6: Foreign Born Workers (%) in Occupations in Washington (2005-2007)


Figure 7: Country of Origin of Workers in Management and Professional Occupations


Figure 8: Country of Origin of Workers in Service Occupations


Figure 9: Country of Origin of Workers in Production and Transportation

cent and 7 percent respectively.

- Latin American and Asian workers are the largest group of foreign born in production, transportation and material moving occupations, at 7.7 percent and 7.5 percent respectively.

Immigrants from different regions distribute themselves throughout the workforce in dissimilar ways.

Figure 10 details:

- Percentage of workers from a region in a occupation.

For example, previous graphs displayed that Latin Americans comprise only 8 percent of all workers in service occupations. But, as this graph displays, 26.9 percent of all Latin Americans work in service occupations. Latin American immigrants fill about 1 percent of all management occupations, but just over 9 percent of Latin American immigrants work in management, professional, and related occupations.

IMMIGRANT WORKERS COMPLEMENT NATIVE BORN WORKERS

- The percentages of Latin Americans (15.5) and Europeans (11.6) are greater than the percentage of native workers (9.3) in construction and mining. Foreign born workers are about 14.3 percent or 40,536 of those employed in these types of positions.

- The percentage (20.6) of Latin Americans working in farming, fishing, and forestry occupations is far greater than all other regions of origin. Less than 1 percent of U.S., Africa, Europe, Asia, or North America born workers is employed in these types of occupations. About 30,515 immigrant workers account for 62.5 percent of those employed in these jobs.

- Greater percentages of workers from Africa (26.2 percent), Latin America (26.9 percent), Asia (19.6 percent), and Europe (16.9 percent) are in service occupations compared to the U.S. born (15.1). Foreign born workers fill about 19 percent of all service occupations in Washington state; about 93,280 immigrants are employed in these types of occupations compared to 394,966 native workers.

- The percent (26.2) of native born workers employed in sales and office occupations is greater than workers from other regions of origin. Approximately 685,306 U.S. born workers are employed in these occupations in Washington, compared to 74,527 immigrant workers. Immigrant workers fill just fewer than 10 percent of these occupations.

- The native born make up a lower percentage (37.8) of workers in management and professional occu-
Immigrant workers fill 11.5 percent of these types of occupations.

- The percentages of Latin Americans (19.2), Africans (18.1), Asians (15.4), and Europeans (12.7) are greater than the percentage of native workers (10.9) in production, transportation, and material moving occupations. Approximately 285,108 U.S. born workers are employed in these occupations in Washington, compared to 68,871 immigrant workers. Immigrant workers fill 19.5 percent of these occupations.

Immigrant workers are spread across Washington’s counties. Nearly half of immigrant workers in Washington are concentrated in King County, but immigrant workers contribute to every county across the state.

Immigrant workers help Washington compete globally. Immigrants in Washington have a variety of origins and bring greater diversity to our state. This diversity is a key asset that helps Washington compete in the global marketplace. In 2006, the largest share of foreign-born workers in Washington was from Asia (39.8) and Latin America (34.2).

**COMPETITIVENESS IMPACTED BY LANGUAGE ABILITY, EDUCATION**

Immigrants contribute valuable skills to businesses that compete internationally. The foreign born workforce add necessary skills in a globally interconnected market; they contribute cultural knowledge that helps Washington extend into markets overseas and can provide the language skills to communicate with businesses around the world.

About 16.4 percent of people living in Washington speak two languages at home and the majority of those are foreign born. Nationally, only about 9 percent of Americans speak two languages fluently. Over half of Europeans who report dual language ability are fluent in English, and about half of Africans who speak two languages speak English fluently.

**ALL COUNTIES ACROSS WASHINGTON HAVE BILINGUAL WORKERS**

While high numbers of immigrants are bilingual, many immigrants are not fully fluent in two languages and may need assistance to function completely in English. In Washington, 7.7 percent of all employed workers (native and foreign born) are Limited English Proficient (LEP). Between 2000 and 2006, the number of foreign-born persons age 5 and older in Washington who were LEP grew by 37.6 percent from 279,497 to 384,463. In comparison, from 1990 to 2000 the size of the foreign-born LEP population grew by 142.2 percent, from 115,416 to 279,497. Overall, in...
Washington about 49 percent of foreign born persons age 5 or older are LEP, with great variation between language groups in their English proficiency. Over 70 percent of those who reported speaking Spanish at home were LEP, compared to 43.4 percent of those who spoke other Indo-European languages, 59.8 percent of those who spoke Asian and Pacific Island languages, and 52.0 percent of those who spoke other languages.

Immigrants across Washington speak languages besides English. Spanish is consistently the language with the most overall speakers in these counties, but there are a variety of other languages that are fairly well represented.

Washington's foreign born workforce has equal percentages of workers with a college degree or higher (28.2) and with less than a high school diploma (28.2). The number of foreign-born persons in Washington with a college degree increased by 44.8 percent between 2000 and 2006 (and 122.2 percent from 1990-2000).

Many of Washington's immigrant workers are “underemployed”: they have college degrees but work in occupations where their skills are not utilized. Across the country, approximately 21.6 percent of college-educated immigrant workers were in underutilized positions. Overall, recently arrived Latin American and African immigrants fared worst, and a substantial number (35 percent) of Latin American immigrants who arrived some time ago were still under-employed. U.S. educated foreign born fared better than immigrants who received a college degree in their country of origin. In fact, Asian, European, and African immigrants educated in the U.S. were underemployed at equal or lower rates as U.S. born and educated workers. However, 25 percent of U.S. educated Latin Americans were still underemployed.

**NATURALIZATION IS IMPORTANT IN A DOWN ECONOMY**

Naturalization is the process through which a legal permanent resident becomes a U.S. citizen. Only legal permanent residents are eligible to become citizens. Naturalized citizens make up 44.6 percent of the foreign born workforce, while 55.4 percent of employed are noncitizens. Noncitizens may include legal permanent residents who have not yet chosen to naturalize, as well any other immigrant, regardless of legal status, who has not become a U.S. citizen through naturalization. Noncitizen does not describe a person's work authorization.
Naturalization has become increasingly important through the years and is even more crucial in a down economy. Naturalization provides many benefits:

- Catalyzes asset building, increased job opportunity, and higher earning power for immigrants – providing economically sound and stable lives for immigrant families.
- Qualifies legal permanent residents for federal safety net benefits should they lose their job.
- Shifts the fiscal responsibility to the federal government for many safety net services, saving the state money.
- Promotes immigrant integration and more stable communities in the face of rising anti-immigrant sentiment.

With the absence of federal immigration reform and safety net responsibilities shifted on to the states, migration can be a source of tension and anxiety for the host society. Historically, in an economic crisis, anti-immigrant sentiment has risen. Naturalizing provides New Americans with a pathway to participate more deeply in the larger community as government employees, elected officials, and voters – consequently allaying the anxiety of the community. Citizenship policy is timelier than ever as one of the most effective tools for the inclusion and integration of New Americans.

Washington has a large number of legal permanent residents eligible for citizenship.

With the exception of the years following Sept. 11 when naturalization was slowed down by increased security measures, for the past 10 years Washington has naturalized between 11,000-15,000 people a year. In 2007, only 8.6 percent of legal permanent residents in Washington eligible for naturalization became citizens. Approximately 170,000 legal permanent residents in Washington are eligible for citizenship.
Figure 15: Language Spoken at Home (Not Including English) for the Population 5 Year and Over


Note: Data may be unreliable due to a large margin of error for groups under 10,000.
There are many barriers that might prevent eligible LPRs from becoming citizens. Some of these barriers include:

- Naturalization fee;
- Other costs associated with naturalizing like legal consultation, citizenship exam preparation, English classes;
- Lack of information about the process;
- Lengthy process;
- Rumors spread about the difficulty of naturalizing or the restructured civics exam;
- Intimidated by the civics exam and English test; and
- No notification of eligibility.

Some groups may be better equipped to naturalize. Higher income, learning English in country of origin, and access to trustworthy and knowledgeable informational networks would increase a group or individuals’ ability to naturalize. Some groups are over represented in naturalizations. For example, Europeans are 18 percent of the foreign born but 25 percent of naturalizations in Washington.

Data on the occupations of about 40 percent of New Americans who naturalized in Washington last year found the majority of workers naturalizing held management or professional occupations.

There are large discrepancies in wage earnings between naturalized citizens and noncitizens and men and women. Noncitizen women earned $24,222 and noncitizen men earned $30,123. Naturalized citizen women earned $31,803 and naturalized citizen men earned $44,766. In 2006, 54.0 percent of foreign-born workers earned less than $35,000 a year and 30.2 percent earned $50,000 or more. In comparison, 34.2 percent of full-time, year-round, native-born workers earned less than $35,000 a year and 42.6 percent earned $50,000 or more.
Figure 17: New Americans Naturalizing in Washington (1998-2007)


Figure 18: Region of Origin, Washington Naturalization (2007)


Figure 19: Country of Origin of Naturalized New Americans (2007)

Figure 20: Occupation of New Americans


Figure 21: Median Earnings of Naturalized and Non-Citizen Men and Women (2006)

IMMIGRANT CONTRIBUTIONS TO STATE ECONOMY

Immigrants make significant contributions to the state’s economy, including through taxes, consumer capital and buying power, and underutilization of public benefits.

WHILE PUBLIC DEBATE AROUND IMMIGRATION has sometimes been fueled by a perception that immigrants “don’t pay taxes” or are a burden or drain on states, the following data demonstrates that this is not a correct or complete characterization of immigrants.

IMMIGRANTS MAKE A POWERFUL TAX CONTRIBUTION TO STATE ECONOMY

Immigrants contributed $1.48 billion in tax revenue to the Washington state economy in 2007. According to the Washington State Office of Financial Management households with at least one foreign born member paid a total of almost $1.5 billion in taxes in 2007. The foreign born account for 13.2 percent of all taxes paid in Washington state, slightly higher than the percent of foreign born households overall (12.5).

Low income foreign born households pay the highest percent of their income to taxes – about 14.2 percent. Predictably, foreign born households who earn the most (over $130,000) contribute the most dollars to taxes, but even low income immigrant households make an impact. Households earning less than $20,000 collectively contributed $50 million. (See Appendix A for more details on how tax contributions were calculated).

IMMIGRANTS ARE A MAJOR ECONOMIC FORCE AS CONSUMERS

The Selig Center for Economic Growth asserts that total U.S. Hispanic buying power, which totaled $951 billion in 2008, was larger than the GDP of all but nine countries. Buying power is defined as income available after taxes than can be used to consume and does not consider credit or loans. Total U.S. Asian buying power was estimated at $509 billion, more powerful than the GDP of all but 17 countries.

Washington's Asian buying power accounted for over $16 billion or about 6.6 percent of the state's total consumer market ($246 billion). Nationally, Washington state ranked seventh in size of Asian Consumer market. From 1990-2008, Asian buying power in Washington grew 442.8 percent.

On average, Asians spend more on food (groceries and dining out), public transportation, cars, housing, major appliances, telecom services, education, and personal insurance.

Washington's Hispanic buying power accounted for over $12 billion or about 4.9 percent of the state's total consumer market ($246 billion). Nationally, Washington state ranked 13th in size of Hispanic Consumer market. From 1990-2008, Hispanic buying power in Washington grew 494.5 percent.

Figure 22: Tax Contributions of Foreign Born Households: Estimated Taxes for Households with at Least One Foreign Born Adult (18-64) in the Labor Force (In 2007 Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Number of Households</th>
<th>Total Tax Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Born</td>
<td>310,572</td>
<td>$1,476,548,485</td>
</tr>
<tr>
<td>Total</td>
<td>2,486,711</td>
<td>$11,225,122,134</td>
</tr>
<tr>
<td>Percent Foreign Born</td>
<td>12.5</td>
<td>13.2</td>
</tr>
</tbody>
</table>

On average, Hispanic consumers spend more on groceries, phone services, furniture, gasoline, clothing, and footwear.\textsuperscript{36}

Immigrants participate substantially in the formal housing market, both through owning and renting. All immigrant groups except Latin Americans have a median home value above $300,000, which is higher than U.S. born home value ($257,400). Africans own homes at lower rates than other groups, but their median home value is substantially higher ($355,600). Immigrants who are not home owners contribute to the economy as renters and they pay (as a median value) $689-$916 a month.

Immigrants have considerable access to vehicles, contributing to the economy through transportation-related expenses. Over 90 percent of every group besides African immigrants has access to one or more vehicles. They may share these vehicles with other household or family members, but they are paying for car tabs, gas, insurance, and maintenance of these vehicles.

Growth in immigrant populations means a growth in the overall buying power and tax revenue contributions of immigrants in Washington state. Critically, as the state’s immigrant population grows so too does Washington’s multicultural economy and overall buying power. This is a critical resource in an economy that relies on consumption.

**IMMIGRANT COSTS VS. CONTRIBUTIONS DEMONSTRATES A POSITIVE BALANCE**

Positive Fiscal Balance: Immigrants contribute nationally to bolstering the U.S. Social Security system and supporting the retiree boom. Our nation’s and state’s economic survival is inextricable from our immigrant workforce. Baby boomers are beginning to draw Social Security and use government-funded medical care. They will create an estimated funding gap of $40 trillion-$76 trillion dollars over the next 75 years.\textsuperscript{38} Because of demographic shifts, immigrants are helping to support the retiree boom, which amounts to about 10,000 baby boomers retiring a day over the next two decades.\textsuperscript{39}

Undocumented immigrants contribute to Social Security, a service they cannot access, thus yielding an overwhelming positive fiscal balance. Martin Gerry, Deputy Commissioner of the Social Security Administration’s Office of Disability and Income Security programs, testified before Congress that the Earnings Suspense file was credited $57.8 billion in unclaimed wages.\textsuperscript{40} These wages are thought to be generated by undocumented immigrants who will never claim their earnings.

New legal immigrants will provide a net benefit of $611 billion to Social Security over the next 75 years. Estimates by Stuart Anderson, an immigration policy researcher, suggest that reductions in immigration would create even more stress on the Social Security system.\textsuperscript{41}

While immigrants, at least at their current immigration

![Figure 23: Estimated Taxes for Households with at Least One Foreign Born Adult in the Labor Force](image)

rate, cannot save our social security system alone, they do lend stability during a demographic change – without their pay-in the Social Security system would collapse.42

Fiscal balance calculations weigh whether the contributions of immigrants offset the costs of the services they use. Fiscal balance equations often do not reflect the contributions of immigrants and only take into account the taxes immigrants pay. Real calculations should take into account services provided to vulnerable immigrants like refugees or asylees – groups that we have made a moral commitment to by offering haven in our country. It should reflect the value of providing services that we as a society find imperative components of our culture such as domestic violence protection. Further, any calculation must consider long term investments. Investing in immigrants when they arrive to a country and have more limited resources and in the next generation – the U.S. born children of immigrants – will pay dividends later. A report by the New York Federal Reserve points out that we all pay the most taxes during our prime working years and use the most services as children and retirees.47

IMMIGRANTS ARE A NET BENEFIT TO OUR STATE’S ECONOMY

Immigrants are worth investing in early on, providing benefits for years to come. Several studies examine fiscal balance of immigration in individual states and have produced the following conclusions.

One study from the Mohawk Valley in New York found that “resettlement of refugees in Utica to be similar to any major investment. Refugees are a net cost in the early years and then yield benefits for many years to come.”43

A report from the Texas State Comptroller found a positive fiscal balance with undocumented immigrants using $1.16 billion in state services and generating $1.58 billion in state revenue (and contributing $17.7 billion to the gross state product).44

A report by the New Mexico Fiscal Project found that undocumented immigrants are not a drain on the economy, stating that they support federal safety net program that they are not even eligible for through payroll taxes.45

A study by Rutgers University’s Eagleton Institute of Politics found that New Jersey’s foreign born are less likely to receive government assistance than the U.S. born and are key contributors to the state’s economic output. They conclude that in New Jersey “the short and long-term fiscal effects of immigrants are indistinguishable from those of natives.”46

Immigrants rely on federal safety net programs less than their native born peers. This can be explained partially by the restrictions on safety net services for undocumented immigrants and restrictions that went into effect in 1996 that barred legal permanent residents from many services until they had been in the country for five years. For the most part, legal immigrants arriving after 1996 are barred for at least five years from Food Stamps, Medicaid and the State Child...
Health Insurance Program (SCHIP), Temporary Assistance to Needy Families Program (TANF), and the Supplemental Security Income Program (SSI). Critically, 1996 welfare reform authorized states to deny or extend services to immigrants who did not qualify for federal assistance with state funded replacement programs.47 These changes moved immigration policy from the federal to state arena and placed additional fiscal responsibility on states.48 They also cause great hardship for many immigrant families and lessen the ability for children and families to access much-needed services. (See Appendix C: Table 2: Effect of Legal Status on Eligibility for Selected Federal & State Programs in Washington)

Nationally, researchers have found that legal immigrants use TANF less than citizens both before and after welfare reform. They have also noted declines in SSI use among legal, noncitizen-headed families from 1996 – 2004. Immigrants used a little over half of the usage of SSI by citizens.49 It is important to note that usually when researchers compare benefits use they compare peer groups; they may compare the benefits use of low income workers by different legal statuses or of female headed households by various legal statuses. These comparisons are exact and often demonstrate that legal immigrants use safety net services at lesser rates than native born households.50

This analysis does not focus on legal status, income, or gender, but instead examines the data by region of origin. For this reason, the data may reflect higher percentages of immigrant use compared to the native population than it might if looking at the cross sections of specific groups.

In Washington, immigrant households utilize public assistance at the same or lesser rate than the U.S. born with the exception of food stamps. Immigrant households are less likely to have social security income. There is variation between groups but when averaged 18.9 percent of immigrant households take in social security income compared to 25 percent of U.S. born households. On average immigrant households and U.S born households have the same percent of households receiving SSI benefits. Asians and Europeans are slightly higher (4 percent and 5 percent respectively) and Africans, Latin Americans, and North Americans are slightly lower (3 percent). Immigrants on average have slightly higher rates of cash assistance use (5 percent) than U.S. born households (3 percent). There is much variation between groups though and Asian (3 percent) and North American (2 percent) households have similar or lower rates than native households. On average, immigrant households receive food assistance at greater rates that the U.S. born, 11.6 percent compared to 8 percent.

Figure 25: Percent of Households by Region of Origin Receiving Public Assistance in Washington

As the native-born workforce grows older, immigrant workers across industries keep our communities functioning and our economies stable.

“INDISPENSABLE WORKERS” encapsulate all immigrant workers, from the informal vendor to the venture capital firm owner; from the home care assistant to the doctor, to recognize the inextricability of the U.S. economy from its immigrant workers.

Some groups label immigrant workers in sectors such as agriculture, hospitality, and service as “essential workers” or workers that are essential to these industries’ success. Sometimes the term “essential workers” is used interchangeably with the term “unskilled workers.” “Unskilled” work can signify a wide range of meaning from no training necessary (someone could walk up and do the work) to some on the job training. However, there is some overlap between in-depth on the job training and vocational educational programs that train workers to do these jobs in advance. Further, the term “unskilled workers” often masks that these workers can contribute skills and education earned in their country of origin but have not yet been able to transfer these skills to the U.S. job market.

These indispensable workers are necessary to keep our communities functioning and our economies stable as the American workforce grows older and better educated. Finding younger workers willing to work in occupations that require less education has become a pressing issue because of demographic changes in America’s workforce—primarily, the aging of the baby boomers and the increased educational attainment of Americans.

**UNDOCUMENTED IMMIGRANTS CONTRIBUTE TO STATE AND U.S. GDP**

Washington state’s economy has benefited from a workforce that includes undocumented immigrants. Because our immigration system is beleaguered and has not been able to react to the demand for labor or political or economic events that change the flow of labor, some of this younger labor willing to work in industrial and service sector occupations is undocumented.

Figure 26: Unauthorized Migrant Share of Selected Specific Occupations in U.S. (March 2005)

BUILDING WASHINGTON’S FUTURE: IMMIGRANT WORKERS’ CONTRIBUTIONS TO OUR STATE’S ECONOMY

National statistics demonstrate the tremendous value of undocumented immigrants to the economy. The Perryman Group estimates that there are approximately 8.1 million undocumented workers in the U.S. economy. They estimate that removing this workforce would cause great damage to the U.S. economy, eliminating $1.757 trillion in spending and $651.511 billion in lost output a year.

Nationally, undocumented workers fill niches left hollow by a morphing native workforce. Pew Hispanic Center demographer Jeffery Passel has released yearly national estimates of undocumented workers in the U.S. (See Appendix A Methods for Passel’s methodology.) These “in the shadow” workers are an integral part of many industries and occupations. For example, unauthorized workers are only a 4.9 percent share of the civilian workforce, but account for 36 percent of all insulation workers; 29 percent of all roofers, 27 percent of all butchers, other food processing workers, and construction helpers; and 22 percent of all maids and painters. They are 21 percent of all workers in private household industries and between 12–14 percent of all the workers in food manufacturing, farming, furniture manufacturing, construction, textiles, and food services.

Immigrants do not drain wages but rather complement an increasingly older and better-educated American workforce. Although some American workers have voiced feelings of threat from immigrant workers, research has shown that immigrants have a positive and significant effect on the average wage of U.S. natives across U.S. states and metro areas. A recent National Bureau of Economic Research study found that the 1990-2004 increase of foreign workers raised the average wage of native born workers by 2 percent. About 90 percent of American workers found themselves with higher wages as a consequence of immigration. The remaining 10 percent, a subset comprised of all high school dropouts, saw a 1 percent wage decline. A study from Rutgers University found that native workers without a high school diploma saw their wages increase by 3.0 percent because of the influx of high and low skilled immigration to New Jersey. Professors Ira Gang and Anne Piehl explain that because of “task complementarity” native workers may have received new opportunities because of low-skilled immigrants. Native workers find themselves with specialized knowledge – English and technology skills – and may be boosted to

ROTTING FRUITS OF LIMITED LABOR

Dave Carlson, CEO of the Washington Apple Commission, said at a recent meeting of trade and industry leaders on immigration that without the Latino population “the fruit and vegetables needed for a healthful diet will rot in the fields.” And that is just what has been happening in recent years when it comes to Washington’s apples. Washington state produces more apples than all other states combined and employs more agricultural workers than every state except California. Further, Washington’s agricultural industry is labor intensive. The apple industry alone requires about 45,000 workers to hand pick the crop, a major export that is shipped all over the world. John Wyss, government affairs analyst at Gebber Farms, said that, “Our apples represent $1.23 billion dollars of value to Washington state and provide 58.1 percent of the total US apple production.” Washington’s other major crops include: berries, grapes, potatoes, hops, onions, and a large variety of other crops and tree fruit. In 2005, Washington State Department of Agriculture determined that the $32 billion food and agriculture industry contributed 12 percent to the state’s economy and employed 160,000 people. Agricultural executives agree that these exports worth billions of dollars are central to the Washington economy and that immigrant labor is required to keep these industries thriving and competitive.

The shortage in apple pickers has been caused in part by tightened border security. Orchard owners have actively worked to recruit American and immigrant workers and have even tried raising wages, but they still cannot attract enough workers. Broetje Orchards had to leave about seven percent of its trees unpicked, leaving 15 million pounds of apples to rot in the fields. Paul Kauzlarich, whose family has owned the orchard since 1916, closed his orchard down when he was unable to pick 70 percent of the crop on his 80 acres.

The issue is emotional for farm workers and business owners alike. Business owners are in danger of losing their livelihoods, through a failing farm or by breaking the law and hiring undocumented workers. On the other hand, undocumented workers may be exploited and lack the protections of workers with work authorization or U.S. citizenship.

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supervisory positions that would not have existed without these new immigrant workers.63

Washington's GDP is dependent on undocumented immigrants who make up as much as 5 percent of workers in the state. Washington is ranked eighth in a list of states that would suffer the highest per-capita losses if the undocumented workforce was removed.64 Depending on how the undocumented workforce was removed (all at once or over time) Washington state could lose $14 billion-$46 billion in lost expenditures. Depending on the scenario, Washingtonians would lose $600-$1,700 dollars of personal income per capita.65

The value added to the U.S. GDP by industries who employ many low-skilled (often immigrant) workers is substantial.66 In 2007, the Department of Commerce reported that non-durable goods manufacturing (textiles, paper, food, etc) added $694.8 billion to the gross national product. Construction added $610.8 billion; accommodation and food service added $379.5 billion; and agriculture and related industries (forestry, fishing, etc.) contributed $167.9 billion. Immigrant workers add critical dollars to the U.S. Gross Domestic Product (GDP). The graph below is not limited to the state of Washington for which data was not readily available. It captures the gross output of all the states for industries that employ large numbers of less-educated workers.

Immigrants ensure that industries facing shortages remain productive. Stephen Levy, a California economist who in previous years had been a proponent of using immigrant labor to fill the impending deficit of workers, remarked in December 2008 that despite rising unemployment he would not change his recommendations because of worker mismatch.67 Similarly, the Migration Policy Institute suggests that worker shortages will continue to exist in the face of rising unemployment due to worker mismatch. For example, workers may find themselves in the wrong geographic region and unwilling or unable to move. There may be a mismatch in the type of workers available and the type of open occupations. For instance, laid off financial industry workers may be unwilling to work in agriculture or in other jobs they find unappealing. Some workers may decide to enter graduate school or other training programs to delay labor force re-entry and gain the skills to become more competitive, while other workers may decide to temporarily access safety net services, savings, or kin support instead of taking an unappealing job or moving.68 Worker mismatch is partially indicative of an aging and better educated American workforce that has a variety of resources at its disposal. At what level mismatch exists partially depends on how bad the economy gets – will someone from Wall Street work in agriculture; will most Americans see their resources depleted? However, as long as mismatch continues, regardless of recession or economic boom, the health of the U.S. economy is tied to the constitution of its immigrant workforce.

**IMMIGRANT ENTREPRENEURS CREATE BUSINESS IN WASHINGTON**

In 2000, Washington ranked 10th in percent of immigrant business owners operating within a state. Nationwide, 9.7 percent of immigrants own a business.69 Immigrants
have significantly higher rates of business formation than native born entrepreneurs, starting 16.7 percent of all new businesses in the U.S. An immigrant is about 1.8 percent more likely to own a business than a person born in the U.S. In 2000, immigrant business owners’ income totaled $67 billion and accounted for 11.6 percent of total business income generated in the United States.70

Slightly over 10 percent of all business owners in Washington state are immigrants, while 12.5 percent of all business owners nationally are immigrants.

In 2000, Washington’s immigrant business owners contributed approximately $1.3 billion or 9.8 percent of total state business income ($12.8 billion).71 Nationally, immigrant business owners made significant contributions to a number of industries – most notably: arts, entertainment, and recreation (21.1 percent); education, health, and social services (16.6 percent); and other services (16.6 percent).72

In Washington, Asians own 5.7 percent of businesses – about 1 percent higher than the national rate of business ownership by Asians. Over 90 percent of Asian owned firms had one or more employees. On average, Asians employed 7.02 full time workers.

Hispanics own 6.6 percent of businesses across the nation but only 2 percent of firms in Washington state. In 2007, the 10,261 Hispanic Owned Businesses in Washington generated $1.5 billion in total revenues. On average, Hispanic firms in Washington employed 3.42 full time workers.

About 23 percent of all Hispanic businesses had hired employees in 2007. These firms employed 15, 852 people with a total payroll of $323,552 in 2007.73

Asian and Hispanic Owned Businesses contribute to a number of industries across Washington state. Top industries with Hispanic and Asian owners include: services (33.3 and 34.8) and retail trade (18.7 and 16.7).74

A small percentage of all immigrant entrepreneurs are in Washington. A scant 1.9 percent of all U.S. immigrant entrepreneurs own businesses in Washington state, demonstrating how geographically concentrated immigrant entrepreneurs are. Immigrant businesses contribute significant to the economies of California, New York, Florida, and Texas.
H-1B VISA WORKERS STRENGTHEN THE ECONOMY OF WASHINGTON STATE

The H-1B program is crucial for employers like the University of Washington, Washington State University, Microsoft, Google, Sun Microsystems, Boeing, and Fred Hutchinson Cancer Research Center. Some of Washington state’s most thriving and innovative businesses rely on attracting talent from around the world. However, many different employers across the state filed H-1B visa petitions to bring in a wide variety of people. Just a few of these positions include senior health policy analysts; professors and post doctoral fellows; biochemists; naturopaths and acupuncture instructors; a nephrologist; software engineers; and elementary school, science, and special education teachers.75

The H-1B visa program allows employers to petition for an overseas applicant to come to the U.S. to perform services in “specialty occupations.” In 2008, the USCIS received more than 123,000 visa petitions within two days for the 65,000 cap.76 About 20,000 additional visas are granted to foreign born students who graduate from a U.S. university. The National Foundation for American Policy found that H-1B workers complement U.S. workers. Their regression model found that there is a positive and statistically significant relationship between number of H-1B visas filed and the percentage change in total employment. Approximately 52 percent of companies responding to the survey thought that each H-1B hire generates one or more “complementary job” at their business or in the local economy. About 22 percent of these companies thought that each hire created 10 or more jobs.79

In a congressional hearing, Laszlo Bock, the vice president of People Operations at Google, testified on the importance...
of the HB-1 visa program. While Bock did not enter the U.S. through the H-1B program his story is a testament to the contributions of immigrants to the U.S. Bock, a Romanian political asylee who came to the U.S. as a child remembers staying in a refugee camp in Austria in the 1970s. His mother Susan would receive care packages signed, “These are gifts from the people of the United States of America.” Once in the United States each of Bock’s family members started their own business – a business consulting firm, an Internet service firm, and an engineering firm with 15 employees. During his testimony, his mother looked on from a few rows behind him. She could not have imagined when she fled communist Romania under the Ceausescu dictatorship that her son would deliver expert testimony to the U.S. Congress.80

In his testimony, Bock described a “fierce worldwide competition” for the world’s best engineers, scientists, and mathematicians. Nine out of 10 Google employees are citizens or legal permanent residents, but Google, one of the most innovative companies in the world, maintains its status as such by attracting talent from around the world – talent that other countries are working hard to attract. He states81:

“If U.S. employers are unable to hire those who are graduating from our universities foreign competitors will. The U.S. scientific, engineering, and tech communities cannot hope to maintain their current position of international leadership if they are unable to hire and retain highly educated foreign talent. We also cannot hope to grow our economy and create more jobs if we are ceding leadership in innovation to other nations.

The National Science Foundation has also voiced concern over a decline in foreign science students staying in the United States after graduation combined with the high numbers of U.S. born scientists and engineers beginning to retire. They warn that the ramifications of an immigration system that fails to provide enough foreign nationals to meet the demands of the Science and Engineering Industry could lead to a slowdown of the industry and the overall economy.82

H-1B visa holders do not have the same protections in an economic downturn as U.S. workers despite their economic integration into their communities. Many H-1B visa holders must wait for many years to become legal permanent residents. During this time they become integrated into the economy – buying houses, raising families, and paying taxes. During a layoff these employees are ineligible for the same unemployment insurance benefits that serve as a safety net for their native born peers. Worse they may have to leave the country if they cannot find another employer to sponsor them and pay filing fees up to a few thousand dollars – a difficult ask in this economy.83 Additionally, a recent report from USCIS has found that fraud existed in about 1 in 5 H-1B visa petitions. For example, companies would pay employees the prevailing wage, a restriction of the program to ensure that H-1B workers are not exploited and that they do not lower U.S. wages, of a company location in Iowa instead of the wage in California where the employee was based.84

Figure 31: H-1B Employees in Washington in Top 100 H-1B Using U.S. Companies and Selected Others (Cumulative for 2000-2009)

<table>
<thead>
<tr>
<th>Company</th>
<th>H-1Bs WA</th>
<th>National Visa Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft</td>
<td>21,214</td>
<td>1</td>
</tr>
<tr>
<td>Intel</td>
<td>119</td>
<td>7</td>
</tr>
<tr>
<td>Rapidigm</td>
<td>183</td>
<td>11</td>
</tr>
<tr>
<td>Cisco</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Sun Microsystems</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Hewlett-Packard</td>
<td>79</td>
<td>29</td>
</tr>
<tr>
<td>Rite-Aid</td>
<td>292</td>
<td>31</td>
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<tr>
<td>Multivision</td>
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<td>35</td>
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<tr>
<td>Merill Lynch</td>
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<tr>
<td>Dell</td>
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<td>Yahoo</td>
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<tr>
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<tr>
<td>Global Cynex</td>
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<tr>
<td>EMC Corporation</td>
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<td>69</td>
</tr>
<tr>
<td>University of Washington</td>
<td>1,871</td>
<td>94</td>
</tr>
<tr>
<td>Diaspark</td>
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<td>97</td>
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<tr>
<td>NIIT Technologies</td>
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<td>Washington State University</td>
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<td>Adobe Systems</td>
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<td>424</td>
</tr>
<tr>
<td>Boeing</td>
<td>515</td>
<td>464</td>
</tr>
<tr>
<td>Fred Hutchinson Cancer Research Center</td>
<td>498</td>
<td>592</td>
</tr>
</tbody>
</table>

THE RESEARCH PRESENTED HERE clearly shows that immigrants in Washington are a growing demographic in counties across the state. Immigrants constitute significant percentages of workers in diverse industries; contribute substantially to growing the state’s economy with their labor and their dollars; and enhance our communities in numerous ways.

Given the positive impact that immigrants have on the state’s economy, it is also important for elected and appointed officials across state and local government to understand that it is critical to invest in the appropriate tools for immigrants so they can fully contribute to our communities.

This section highlights just a few recommendations that emerge from the data. It focuses on addressing some of the primary barriers to greater economic contributions of immigrants. A much more comprehensive list of potential program investments could ensue from separate research around individual recommendations provided here.

The research and our history as a country clearly suggest that Washington state must quickly invest in strategies that support the two-way integration of immigrants into our communities. Specifically, three strategies emerge as undoubtedly accelerating immigrant integration and immigrant contributions to our communities and economy: English Language Services (particularly connected to the workplace), Naturalization Assistance, Entrepreneur Assistance.

INVEST IN ENGLISH LANGUAGE LEARNING

Data in this report suggests that English-proficiency is related to the economic self-sufficiency of immigrants and their ability to contribute to the economy. Limited English Proficiency can restrict immigrants from participating in work training programs, earning professional certifications, or passing the citizenship exam. The Migration Policy Institute has found that Limited English Proficient (LEP) individuals are twice as likely to work in manual occupations as their peers with proficient English skills. Additionally, LEPs earn less money than their counterparts who are English literate and are more likely to have non-continuous employment. Several studies have found that workplace English classes increased productivity and safety. More research needs to be done on ways to expand English language training so that it is accessible within the communities that need it most and that innovative models that combine ESL with workplace development are further expanded. Programs, such as the Integrated Basic Education and Skills Training (I-BEST), should be significantly expanded across the state, with strategies to ensure that a diverse cross-section of immigrants are accessing such programs. Additionally, employer provided ESL can help immigrants learn relevant workplace vocabulary while making it accessible – particularly if workers are paid for their time spent in class or class is offered on site during lunch or after work. However, employers must seek input from community colleges and other sites that have long experience with ESL. Employers must recognize that English language learning is not a simple task. The National Commission on Adult Literacy has recommended that the adult education and literacy system be transformed into an “adult education and workforce skills system” – due partially to the large numbers of immigrant workers that will help meet workforce needs with the aging of the baby boomers. Additionally the language needs and workforce skills of immigrants with professional experiences in their home countries must not be forgotten. Programs designed to transfer these immigrants’ skills to the U.S. workforce must be implemented widely.

INVEST IN NATURALIZATION STRATEGIES

Immigration policy researchers Randy Capps and Katrina Fortuny write, “Acquisition of citizenship leads to higher earnings and helps immigrants integrate socially.” The data in this report suggests the same. The large numbers of legal permanent residents eligible for citizenship, com-
combined with the very small number of those who actually naturalized in recent years, suggest that there is an untapped potential in Washington state to significantly increase the number of people who obtain their citizenship and, as a result, are able to access better jobs and fully integrate into their communities. Unfortunately, the infrastructure to assist the large numbers of immigrants who are eligible for citizenship but face barriers accessing legal assistance or information about naturalization does not yet exist. Washington should invest in programs that seek to expand naturalization access across the state and to diverse communities through unique methods such as ethnic media, outreach and education to immigrant communities around the benefits of naturalization, and the extension of legal services to areas that lack the services necessary to complete the naturalization process. This is a real investment in our state’s economic welfare and critical to immigrants.

INVEST IN IMMIGRANT ENTREPRENEURS

Data in this report clearly point to the tremendous economic contributions that immigrant businesses provide, both in terms of revenue and in terms of job creation. Strategies to draw immigrant entrepreneurs to Washington or assist immigrants in Washington with opening or growing a business could generate more revenue for our economy. Immigrant small business owners and highly skilled immigrant entrepreneurs represent virtually untapped potential resources for economic development and neighborhood and city revitalization. Supporting immigrant high-tech firms and small businesses provides opportunities for economic growth and prosperity for both longer rooted and new Americans. This task is essential and requires bridging the gaps between immigrant groups, mainstream banks, and government offices in order for immigrant business owners to thrive.

Washington state must invest more resources and attention to providing immigrant entrepreneurs with access to capital and navigating bureaucratic regulations. In fact, 10 percent of Washington’s Asian business owners and 8.8 percent of Hispanic business owners listed regulations and red tape as their primary business concerns. A significant percentage of Asian (13) and Hispanic (15) business owners said their credit needs were not met in a recent survey of minority business owners across the state. It is notable that Washington state has far fewer Hispanic small businesses than the national average. The previous survey suggests that this is not for lack of interest of Hispanic entrepreneurs but a lack of programs specifically designed to reach this potential audience. Barriers to immigrant entrepreneurship were not studied comprehensively for this report, but we recommend that this as an area for further research. Investments in microcredit, business incubators, certification assistance programs, business mentoring or counseling should be explored as strategies to invest widely in immigrant entrepreneurs.

PUSH FOR FEDERAL IMMIGRATION REFORM

Data in this report clearly suggests that the contributions of immigrants and immigrant workers must be factored into a federal solution that tackles the need to provide stability to workers who are here and addresses the future flows of workers. National reform must be driven by the fact that industries rely on large numbers of documented and undocumented workers and that providing rights to all workers ensures protection against exploitation, lessens the underground economy, and ensures fair pay for all workers.

This report has laid out the data that shows that in Washington, like in other states around the country, the state’s economy needs immigrant workers. Divisive rhetoric that suggests otherwise does not take into account the economic reality and needs of our labor market. States do not have jurisdiction around immigration policies that determine who comes into America and who stays here. But the effects of a failed immigration system are clearly felt at the state level and affect Washington’s ability to continue to be competitive in key industries.

It is in Washington state’s best interest to push the Federal government to quickly enact comprehensive immigration reform. It is well within the state’s right to pass resolutions and invest in other means to make the needs of the state’s economy clear.
The Puget Sound Welcome Back Center helps immigrants transfer the professional skills acquired in their home country to jobs in Washington’s health care industry. Opened in the fall of 2008 at Highline Community College in Federal Way, Welcome Back has already assisted 130 health care professionals from over 20 countries of origin to take the steps to enter the U.S. health care system. The idea for the Washington center came from ESL teachers who noticed that many of their students were former health care professionals working in unrelated fields where their education and skills were underutilized. Unable to work in their chosen calling, many immigrants come to Welcome Back depressed. Kris Mason, interim director of Puget Sound Welcome Back, relates that some of the clients they see are working as janitors in hospitals in an attempt to connect to their past profession. Welcome Back helps these individuals prepare for board tests, navigate licensing procedures, and consider alternative health care career options for which they may be eligible. Welcome Back’s mission is to build bridges between immigrants and the health care industry. By helping immigrants contribute their skills and knowledge to the health care system, the health care industry’s growing need for linguistically and culturally competent health care services is met. Ultimately, immigrants served by Welcome Back are able to contribute their whole selves to their new society and economy.

One program in Washington with proven results is the Integrated Basic Education and Skills Training (I-BEST) program run through the community college system. I-BEST provides ESL and vocational training for many different trades— including office assistant, vehicle repair, nursing assistant, architectural drafting, welding, and manufacturing. I-Best is innovative in that it pairs ESL and technical instructors in the classroom and that it “challenges the traditional notion that students must first complete all levels of basic education before they can begin workforce training.”

Research from Columbia University that focuses on Washington’s community colleges has shown that the “tipping point” for ESL students is one year of college credit and an earned credential; this provides about $7,000 additional earning power a year for these immigrants.

Washington New Americans has begun to meet this demand for services and information. Washington New Americans benefits all immigrants by spreading information across the state for the first time through innovative ethnic media strategies like the “I Am an American” citizenship campaign that was designed to reach various language speaking populations. A free hotline, available in 20 languages, refers callers to citizenship services in their area. Washington New Americans brings citizenship services (including free legal help) to underserved areas across the state through mobile citizenship days and provides grants that help increase the capacity of existing service providers. Cut from the proposed governor’s budget but included in the state House and Senate budget, in 2009, this immigrant integration strategy should be continued and, when funds allow, be expanded.
CONCLUSION

As the native-born workforce grows older, immigrant workers across industries keep our communities functioning and our economies stable.

WHILE THE IMMIGRATION DEBATE often focuses on just one segment of the immigrant population, Building Washington's Future provides a more complete picture of immigrant workers in Washington state. Immigrants in Washington state work in a wide range of industries, come from many different countries and bring different educational and occupational experiences to Washington. While an economy in recession may bring about strong anti-immigrant sentiments or feelings that immigrants are taking away jobs from native born workers, the reality is that immigrants and native born workers complement each other in the kinds of jobs they fill. Both immigrants and native born workers face real struggles with the economy and with working conditions. Both simply want to create a better life for themselves and their families. Both work hard and contribute to the economy.

In this environment, immigrant workers should not be targeted or scapegoated. Immigrants, throughout the history of the United States, have always been part of the solution – even in a recessionary economy. In Washington, immigrants have always been critical to the state’s economy and integral to economic stability and success. Today is no different.

By providing a more comprehensive view of immigrants and immigrant workers in Washington, this report seeks to move the often polarized debate about immigration to an empirically informed discussion where we might find common ground to advance just policies that serve both immigrants and the wider community in our state.

Now, more than ever, Washington needs immigrants to help industries remain at full productivity; to grow the economy through consumption and paying taxes; to re-energize business through entrepreneurship and job creation; and to contribute much needed skills and talents as Washington businesses seek to invent new products and remain globally competitive. Washington’s immigrants stand ready to build a shared and prosperous future for all of Washington.

Now, more than ever, Washington needs immigrants to help industries remain at full productivity; to grow the economy through consumption and paying taxes; to re-energize business through entrepreneurship and job creation; and to contribute much needed skills and talents as Washington businesses seek to invent new products and remain globally competitive. Washington’s immigrants stand ready to build a shared and prosperous future for all of Washington.
Appendix A
Estimates Explained

Estimated Tax Contributions from Immigrant Households in Washington

There are no tax records indicating whether the payer is foreign born. The figures in this table are estimates only. This table was produced by the Office of Financial Management using household level data from the 2006 & 2007 American Community Survey Pooled PUMS Data, and the percentage tax burden on the household estimated by the Department of Revenue.

The actual page used to create the tax estimate can be found at: http://dor.wa.gov/docs/reports/Tax_Alt_Model_2005_ver2.xls see “Current Tax System”

Estimated taxes include major state and local taxes. This includes retail sales tax, alcoholic beverage tax, cigarette and tobacco tax, gasoline tax, public utility tax and property tax.

Estimates of Undocumented Population-Pew Hispanic Center

The estimate of the unauthorized population is based on a method that is a variant of the “residual” method. This estimate is based on the following equation: the total of foreign born population, which comes from the Census or CPS (current population survey), minus the total of estimated legal population. This last total comes from several sources: the DHS, INS, the State Department, the Office of Refugee Resettlement, and the number of asylum applications granted. Finally, the estimated total of unauthorized population is adjusted upward in order to account for possible omissions. (Please note that this count may include people who are entitled to be in the country legally such as parolees or those with temporary protected status. These groups could account for several hundred thousand people.)


Appendix B
American Community Survey Definitions

Gross rent - The contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).

Selected monthly owner costs - The sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees).

Owner Occupied – A housing unit is owner occupied if the owner or co-owner lives in the unit even if it is mortgaged or not fully paid for.

Renter Occupied – All occupied housing units which are not owner occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter occupied.

Vehicles Available - These data show the number of passenger cars, vans, and pickup or panel trucks of one-ton capacity or less kept at home and available for the use of household members. Vehicles rented or leased for one month or more, company vehicles, and police and government vehicles are included if kept at home and used for non-business purposes. Dismantled or immobile vehicles are excluded. Vehicles kept at home but used only for business purposes also are excluded.

Food Stamp Benefits - The questions on participation in the Food Stamp Program were designed to identify households in which one or more of the current members received food stamps during the past 12 months. Once a food stamp household was identified, a question was asked about the total value of all food stamps received for the household during that 12-month period.

Social Security income - Social Security income includes Social Security pensions and survivor benefits, permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance, and railroad retirement insurance checks from the U.S. government. Medicare reimbursements are not included.

Supplemental Security Income (SSI) – Supplemental Security Income (SSI) is a nationwide U.S. assistance program administered by the Social Security Administration that guarantees a minimum level of income for needy aged, blind, or disabled individuals. The American Community Survey questionnaire asks about the receipt of SSI.

Public assistance income – Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care, (vendor payments) are excluded. This does not include
Supplemental Security Income (SSI) or noncash benefits such as Food Stamps. The terms “public assistance income” and “cash public assistance” are used interchangeably in the 2006 ACS data products.

Language Spoken at Home – These questions were asked only of persons 5 years of age and older. Instructions mailed with the American Community Survey questionnaire instructed respondents to mark “Yes” on Question 13a if they sometimes or always spoke a language other than English at home, and “No” if a language was spoken only at school – or if speaking was limited to a few expressions or slang. If the person spoke more than one non-English language, they reported the language spoken most often. If the language spoken most frequently could not be determined, the respondent reported the language learned first.

Ability to Speak English – Respondents who reported speaking a language other than English were asked to indicate their English ability based on one of the following categories: “Very well,” “Well,” “Not well,” or “Not at all.”

Linguistic Isolation – A linguistically isolated household was one in which all adults had some limitation in communicating English. A household was classified as “linguistically isolated” if, 1) No household member age 14 years and over spoke only English, and 2) No household member age 14 years and over who spoke another language spoke English “Very well.”

Foreign Born Population – The foreign-born population includes anyone who was not a U.S. citizen or a U.S. national at birth. This includes respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen. The American Community Survey questionnaires do not ask about immigration status. The population surveyed includes all people who indicated that the United States was their usual place of residence on the survey date. The foreign-born population includes naturalized U.S. citizens, Lawful Permanent Residents (immigrants), temporary migrants (e.g., foreign students), humanitarian migrants (e.g., refugees), and unauthorized migrants (people illegally present in the United States).

Not a U.S. Citizen or Non-Citizen – Respondents who indicated that they were not U.S. citizens at the time of the survey.

U.S. Citizen by naturalization – Foreign born respondent who is a naturalized U.S. citizen

Native – The native population includes anyone who was a U.S. citizen or a U.S. national at birth. This includes respondents who indicated they were born in the United States, Puerto Rico, a U.S. Island Area (such as Guam), or abroad of American (U.S. citizen) parent or parents.

Foreign born – The foreign-born population includes anyone who was not a U.S. citizen or a U.S. national at birth. This includes respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen.

Educational Attainment – Educational attainment data are tabulated for people 18 years old and over. Respondents are classified according to the highest degree or the highest level of school completed.

Employed – This category includes all civilians 16 years old and over who either (1) were “at work,” that is, those who did any work at all during the reference week as paid employees, worked in their own business or profession, worked on their own farm, or worked 15 hours or more as unpaid workers on a family farm or in a family business; or (2) were “with a job but not at work,” that is, those who did not work during the reference week but had jobs or businesses from which they were temporarily absent due to illness, bad weather, industrial dispute, vacation, or other personal reasons. Excluded from the employed are people whose only activity consisted of work around the house or unpaid volunteer work for religious, charitable, and similar organizations; also excluded are all institutionalized people and people on active duty in the United States Armed Forces.

Civilian Employed – This term is defined exactly the same as the term “employed” above.

Labor Force – All people classified in the civilian labor force plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard).

Labor Force Participation Rate – The labor force participation rate represents the proportion of the population that is in the labor force. For example, if there are 100 people in the population 16 years and over, and 64 of them are in the labor force, then the labor force participation rate for the population 16 years and over would be 64 percent.

Not in Labor Force – All people 16 years old and over who are not classified as members of the labor force. This category consists mainly of students, housewives, retired workers, seasonal workers interviewed in an off season who were not looking for work, institutionalized people, and people doing only incidental unpaid family work (less than 15 hours during the reference week).
Occupation – See http://www.bls.gov/cps/cenocc.pdf for a comprehensive list of occupations under each category. The list below includes just a handful of occupations for each category.

Management, professional, and related occupations –
Legislators, CEOs, engineers, lawyers, paralegal, counselors, sociologists, athletes, photographers, health care practitioners, technical writers, librarians, choreographers, urban planner, preschool and kindergarten teacher.

Service occupations – Nurse, home health aide, massage therapist, dental assistant, fire fighters, police, crossing guards, bailiffs, head chef, bartender, fast food prep, dishwasher, maid, barber, child care worker, animal trainer, ticket taker.

Sales and office occupations – Cashiers, telemarketers, promotional models, real estate brokers, telephone operators, tellers, license clerks, postal service clerks and mail carriers, bookkeeper, library assistant, data entry, proof reader.

Construction, and maintenance occupations – Construction supervisor, mason, electrician, roofer, security and fire alarms installers, office machine repair, vending service operator, locksmith, and commercial diver.

Farming, fishing, and forestry occupations – Animal breeder, hunter, trapper, logging worker, agricultural grader, forest and conservation worker.

Production, transportation, and material moving occupations
– Aircraft structure, surfaces, rigging, and systems assemblers, bakers, machinists, tool and die makers, tailor, dry cleaning worker, woodworker, jewel and precious stone worker, medical, dental, and ophthalmic laboratory technicians, Aircraft pilots and flight engineers, bus driver, taxi driver, boat captain, filling station attendant.
Appendix C. Charts

Table 1: Place of Birth for Washington’s Foreign Born

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<th>Estimate</th>
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<tr>
<td>United Kingdom:</td>
<td>21,652</td>
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<td>United Kingdom, excluding England and Scotland</td>
<td>7,751</td>
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<tr>
<td>England</td>
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<tr>
<td>Scotland</td>
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<td>Ireland</td>
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<td>France</td>
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<td>Region</td>
<td>Population</td>
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<td>------------------------</td>
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<td>Canada</td>
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<tr>
<td>Other Northern America</td>
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</tr>
</tbody>
</table>

| Federal and State Programs | Citizens | Lawful Permanent Residents | Refugees/Asylees | Undocumented 
|---------------------------|----------|---------------------------|-----------------|----------------
| Food Stamps               | Eligible | Eligible                   | Eligible        | Not Eligible 
| Temporary Assistance for Needy Families | Eligible | Eligible                   | Eligible        | Not Eligible 
| Public School (K-12)      | Eligible | Eligible                   | Eligible        | Not Eligible 
| Free of Reduced Price Lunch | Eligible | Eligible                   | Eligible        | Not Eligible 
| In-Kind Housing            | Eligible | Eligible                   | Eligible        | Not Eligible 
| Federal Financial Aid      | Eligible | Eligible                   | Eligible        | Not Eligible 
| Full-Scope Medicaid        | Eligible | Eligible                   | Eligible        | Not Eligible 
| State Children’s Health Insurance | Eligible | Eligible                   | Eligible        | Not Eligible 
| Headstart                 | Eligible | Eligible                   | Eligible        | Not Eligible 
| Social Security - SSI      | Eligible | Eligible                   | Eligible        | Not Eligible 
| General Assistance - Unemployment Insurance | Eligible | Eligible                   | Eligible        | Not Eligible 
| Earned Income Tax Credit   | Eligible | Eligible                   | Eligible        | Not Eligible 


ENDNOTES

2. Ibid.
4. Ibid.
7. Ibid.
8. Ibid.
10. Ibid.
13. Ibid.
23. Ibid.
28. Ibid.
30. Ibid.
32. Ibid.
33. Ibid.
34. Ibid.
35. Ibid.
36. Ibid.
40. Ibid.
50. Ibid.
56  Ibid.
58  Ibid.
65  Ibid.
70  Ibid.
71  Ibid.
72  Ibid.
78  Ibid.
81  Ibid.
89  Ibid.
91  Ibid.
92  “Refugee” status refers to anyone whose immigration status allows them access to public assistance on the same basis as refugees. This includes: refugees, asylees, Cubans/Haitian Entrants, victims of Human Trafficking, and Iraqi/Afghani special immigrants. Refugees are required to file for legal permanent residency after one year.
93  Undocumented does not include immigrants permanently residing under color of law (PRUCOL). An immigrant is considered to be PRUCOL if they are residing in the US, but not under any authorization of the Immigration and Nationality Act, and the Department of Homeland Security is aware of their presence, but is not taking action to deport them. This category is one of the many types of legal immigrants.
94  The Food Assistance Program (FAP) is a mirror program to the federal food stamp program. It was created for legal immigrants who are barred from the federal program due to the 5-year rule. It is also available to PRUCOL individuals.
95  WorkFirst is a temporary cash assistance program for low-income families in Washington. The State Family Assistance program (SFA) is a mirror program to the federal TANF program, and was created for legal immigrants who are barred from the federal program due to the 5-year rule. It is also available to PRUCOL individuals. When the program was first implemented in September 1997, it looked like the TANF program. Over the years, however, due to budget constraints, the medical component was removed and it became a cash only program. Most children on SFA get Medicaid coverage because WA allows them access to Medicaid benefits– however, the parents are not covered.
96  An ineligible immigrant can reside in Section 8 housing if one person in the household qualifies (including a minor child). However, the household’s subsidy will be prorated, resulting in higher rent.
97  PRUCOL immigrants are eligible.
98  Must have a valid social security number and be a legal immigrant residing in the U.S. for at least a year to claim eligibility. However, an earned income tax credit may be claimed on behalf of a U.S. born child that resides with the parents for longer than 6 months of the year in the U.S.