



The Role of Immigrants in the New York City Economy

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Highlights

- Nearly three-quarters of the 4.4 million immigrants in New York State live in New York City, and another 18 percent live in the surrounding suburbs.
- New York City has the largest immigrant population in the nation (3.1 million), twice as large as the second-ranked city.
- Since 1970, the number of immigrants (and their share of the City's population) has more than doubled.
- Over the past few years, immigrants have accounted for 37 percent of the City's population, the largest share in 100 years.
- Of the 10 cities in the United States with the largest number of immigrants, New York City has the greatest diversity.
- Immigrants from Latin America made up one-third of the City's immigrant population in 2013, while more than one-fourth of immigrants came from Asia and nearly one-fifth came from the Caribbean. One-fourth of the City's immigrants arrived in the past decade.
- More than 1.9 million immigrants (including 297,000 commuters) work in New York City. Immigrants accounted for 43 percent of the work force in 2013, up from 31 percent in 1990.
- Immigrants accounted for \$257 billion in economic activity in 2013, nearly one-third of the City's total gross product.
- The total amount of wages paid to immigrants reached \$111.5 billion in 2013, one-third of the total wages paid to all workers in the City.
- The ten Census-defined neighborhoods with the highest concentrations of immigrants accounted for nearly one-third of the City's business growth between 2000 and 2013.

New York City, like the nation, has been built by immigrants. People from around the world have come to New York City seeking the freedoms and opportunities woven into the American dream. While their faces have changed over the past two centuries, New York City's immigrants continue to play an important role in the City's economy.

In 1970, two-thirds of New York City's immigrants were from Europe, but by 2013 the European share had fallen to 15 percent. Latin Americans, Asians and immigrants from the Caribbean now make up the largest portions of the City's immigrant population. In total, more than 150 nationalities are represented, with no single country or region dominating.

In recent years, immigrants have helped revitalize neighborhoods such as Coney Island, Corona, Flushing, Jackson Heights, Sunset Park and many others. The Office of the State Comptroller has found that the neighborhoods with the highest concentrations of immigrants show stronger business growth than the City overall.

Many of New York City's immigrants are entrepreneurs. The Partnership for a New American Economy reported in 2010 that nearly one-fifth of the Fortune 500 companies had been founded by immigrants. Many of these firms have a strong presence in New York City.

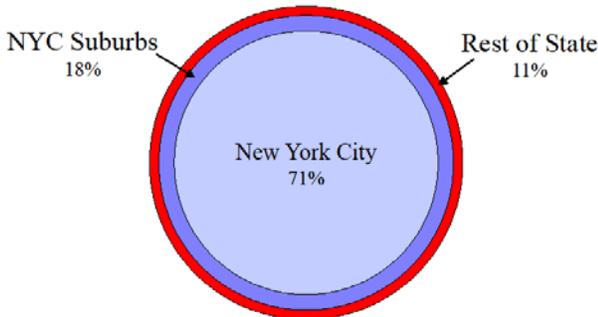
Immigrants account for 43 percent of New York City's work force and nearly one-third of the City's economic output. They have a strong presence in a wide range of occupations and industries. Many industries, such as technology, finance and information, draw on a worldwide talent pool of immigrants to maintain their competitiveness.

The number of immigrants in New York City has risen sharply over the past four decades, and has been a driving force behind the growth in the City's economy. Immigrants also contribute to the City's unique cultural and ethnic diversity, helping to make New York a truly international city.

A City of Immigrants

According to the U.S. Census Bureau, almost 4.4 million immigrants (defined as any foreign-born resident who is not a U.S. citizen at birth) lived in New York State in 2013. Nearly three-quarters of these immigrants lived in New York City (see Figure 1), and another 18 percent lived in the City's surrounding suburbs (i.e., Nassau, Suffolk and Westchester counties). With 3.1 million immigrants, New York City also had far more immigrants than any other city in the nation. Los Angeles, the city with the second-largest number of immigrants, had only half as many.

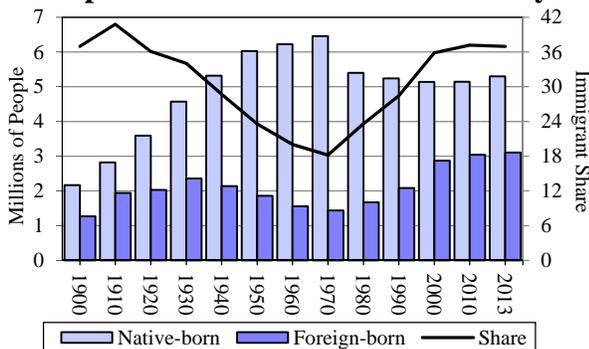
Figure 1
Distribution of New York State's Immigrant Population in 2013



Source: U.S. Census Bureau; OSC analysis

During the 20th century, immigrants' share of New York City's population peaked at 41 percent in 1910. Their share then declined steadily, and by 1970 immigrants represented only 18 percent of the population. Since then, the number of immigrants and their share of the population has more than doubled (see Figure 2). Over the past few years, immigrants have accounted for 37 percent of New York City's population, the highest share in 100 years.

Figure 2
Population Trends in New York City



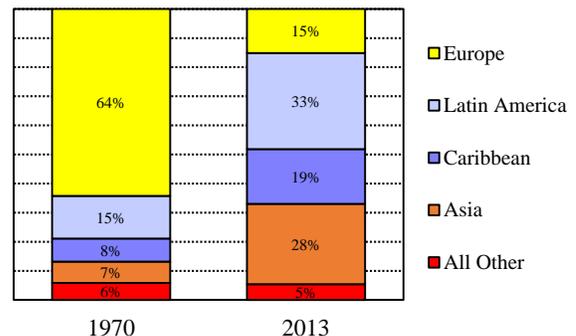
Sources: U.S. Census Bureau; OSC analysis

New York City's mix of immigrants has evolved over the decades as successive waves of immigration have brought newcomers from different countries and continents. Of the 10 cities in the United States with the largest immigrant populations, New York City has the greatest diversity. Unlike in other U.S. cities, immigrants from just one or two countries do not dominate New York City's demographic landscape.¹

In 1970, 64 percent of the City's immigrant population came from Europe, 15 percent came from Latin America, 8 percent came from the Caribbean, and 7 percent came from Asia (see Figure 3).² By 2013, the share of the immigrant population from Europe had declined to 15 percent, while the shares from Latin America and the Caribbean had more than doubled. The share from Asia grew to 28 percent, four times greater than in 1970. In total, the City's immigrant population represented more than 150 different nationalities.

One quarter of the City's immigrant population has arrived since 2004. Immigrants from Latin America make up 36 percent of new arrivals, and immigrants from Asia (including the Indian subcontinent) account for another third.

Figure 3
Where New York City Immigrants Were Born



Sources: U.S. Census Bureau; OSC analysis

The Work Force

The U.S. Census Bureau also estimates that more than 1.9 million immigrants, including 297,000 commuters, work in New York City. They account for 43 percent of the work force (up from 31 percent in 1990) and have a strong presence in many industries. Immigrants make up the majority of workers in construction, personal services, leisure and hospitality, and manufacturing (see Figure 4).

Figure 4
Immigrants' Share of the Work Force by Industry

Industry	Share
Construction	59%
Personal Services (e.g., car repair, nail salons)	57%
Leisure and Hospitality	53%
Manufacturing	51%
Health Care and Social Assistance	50%
Transportation and Utilities	50%
Retail and Wholesale Trade	45%
Total Work Force	43%
Financial Activities	37%
Professional and Business Services	34%
Government	29%
Educational Services	27%
Information	20%

Sources: U.S. Census Bureau; OSC analysis

Each of the above industries includes a broad range of occupations. (For example, the construction industry includes laborers as well as accountants.) Figure 5 shows the 20 occupations in New York City with the highest numbers of immigrant workers.

Figure 5
Occupations with the Most Immigrants

Occupation	Share of Total
1. Taxi Drivers and Chauffeurs	87%
2. Maids and Housekeeping Cleaners	80%
3. Construction Laborers	76%
4. Nursing, Psychiatric & Home Health Aides	75%
5. Food Preparation Workers	74%
6. Personal Care Aides	73%
7. Cooks	67%
8. Child Care Workers	64%
9. Drivers and Truck Drivers	62%
10. Janitors and Building Cleaners	60%
11. Waiters and Waitresses	55%
12. Registered Nurses	50%
13. Cashiers	49%
14. First-Line Retail Supervisors	47%
15. Accountants and Auditors	43%
16. Retail Salespeople	37%
17. Customer Service Representatives	36%
18. Miscellaneous Managers (e.g., Postmasters)	35%
19. Secretaries and Administrative Assistants	25%
20. Elementary- and Middle-School Teachers	23%
All Occupations	43%

Sources: U.S. Census Bureau; OSC analysis

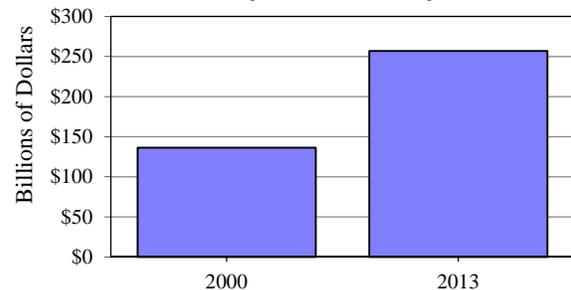
Though immigrants make up a large share of the workers in various lower-paying occupations, they also represent a significant share of workers in higher-skilled occupations, such as registered nurses, physicians, accountants and auditors. Some higher-skilled occupations (e.g., computer systems analysts) employ relatively large shares of immigrants who have arrived in the past decade.

Increased educational attainment provides workers with the opportunity to obtain higher-skilled and better-paying jobs. While a smaller share of the City's immigrant population (28 percent) has either a bachelor's degree or a more advanced degree than in the native-born population (43 percent), this gap is narrower among immigrants who have arrived in the past decade (31 percent).

Economic Contribution

According to OSC estimates, immigrants accounted for \$257 billion in economic activity in New York City in 2013, nearly twice the 2000 level (see Figure 6). Since immigrants' contribution to the City's economy grew faster than the City's economy overall, their share of the City's gross city product rose from 29 percent to 32 percent. These estimates are based on immigrants' share of total wages, a common method for calculating local economic output.

Figure 6
Immigrants' Contribution to New York City's Gross City Product

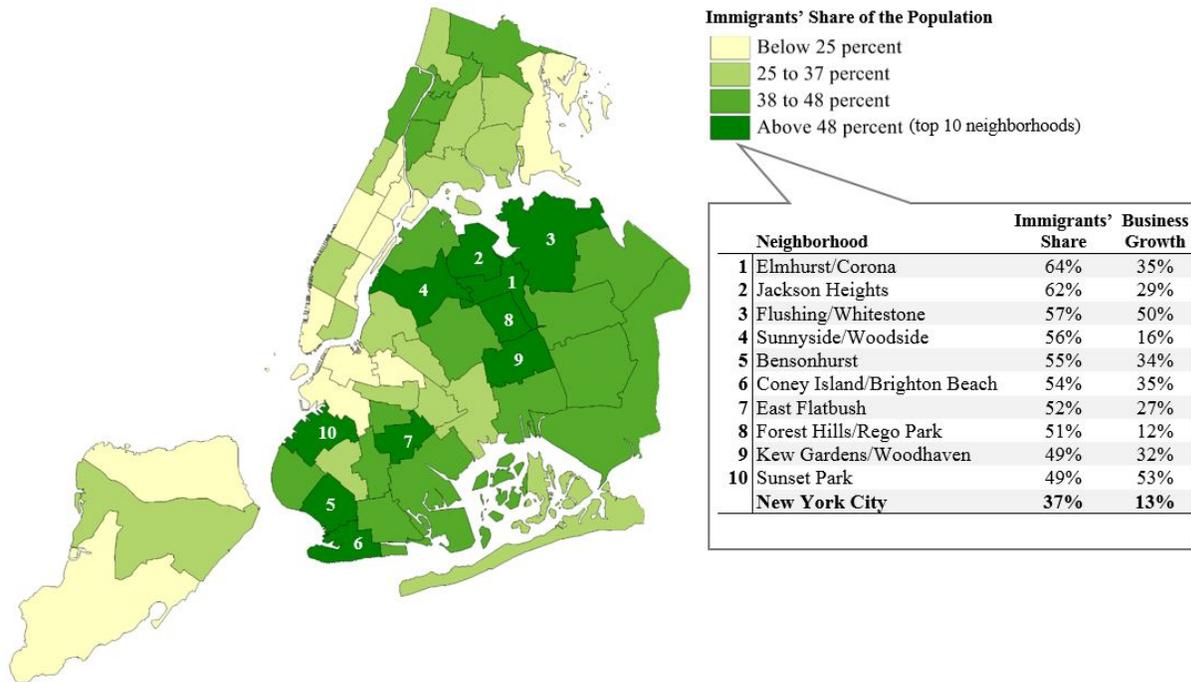


Sources: U.S. Bureau of Economic Analysis; U.S. Census Bureau; OSC analysis

The U.S. Census Bureau estimates that the total amount of wages paid to immigrants reached \$111.5 billion in 2013, one-third of the total wages paid to all workers in the City. Immigrants were hit harder by the recession than native-born workers, but they rebounded strongly during the recovery. Still, the median wage for immigrant workers was substantially less than for native-born workers in 2013.³

Figure 7

Immigrants' Share of the Population in 2013 and Business Growth from 2000 to 2013 by Neighborhood in New York City



Sources: U.S. Census Bureau; OSC analysis

Neighborhoods

As noted in two earlier reports by OSC, the 10 Census-defined neighborhoods with the highest concentrations of immigrants have shown strong business growth.⁴ For example, nearly one-third (8,470 businesses) of the net increase in the number of businesses in the City between 2000 and 2013 occurred in these neighborhoods. The number of businesses grew by 33 percent, compared to 13 percent citywide. As shown in Figure 7, six of these neighborhoods were located in Queens and the other four were located in Brooklyn.

Of the 10 neighborhoods with the highest concentration of immigrants, all but one (Forest Hills/Rego Park) had business growth that was faster than the citywide rate. Business growth in the Forest Hills/Rego Park neighborhood was slightly lower than the citywide rate, but the neighborhood's employment grew by 45 percent, six times faster than the citywide rate. Flushing/Whitestone and Sunset Park had business growth of at least 50 percent, nearly four times faster than the citywide rate.

¹ In the other top 10 cities, half of the immigrants came from between one and four countries. In New York City, half of the immigrants came from nine countries.

² This report uses the New York City Department of City Planning's definitions of world regions. Latin America includes Cuba, the Dominican Republic and Mexico, and Asia includes the Indian subcontinent.

³ The median wage for foreign-born workers was \$35,000, compared to \$50,000 for native-born workers.

⁴ The U.S. Census Bureau defines 55 geographic areas in New York City and names them by one or more of the largest neighborhoods associated with the area.