

Ten Way Immigrants Help Build and Strengthen Our Economy

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The White House Blog cited IPC statistics about the purchasing power of Latinos and Asians to highlight how immigrants help strengthen our economy.

Immigrants boost demand for local consumer goods. The Immigration Policy Center estimates that the purchasing power of Latinos and Asians, many of whom are immigrants, alone will reach \$1.5 trillion and \$775 billion, respectively, by 2015.

America is a nation of immigrants. Our American journey and our success would simply not be possible without the generations of immigrants who have come to our shores from every corner of the globe. It is helpful to take a moment to reflect on the important contributions by the generations of immigrants who have helped us build our economy, and made America the economic engine of the world.

How do immigrants strengthen the U.S. economy? Below is our top 10 list for ways immigrants help to grow the American economy.

1. **Immigrants start businesses.** According to the Small Business Administration, immigrants are 30 percent more likely to start a business in the United States than non-immigrants, and 18 percent of all small business owners in the United States are immigrants.
2. **Immigrant-owned businesses create jobs for American workers.** According to the Fiscal Policy Institute, small businesses owned by immigrants employed an estimated 4.7 million people in 2007, and according to the latest estimates, these small businesses generated more than \$776 billion annually.
3. **Immigrants are also more likely to create their own jobs.** According the U.S. Department of Labor, 7.5 percent of the foreign born are self-employed compared to 6.6 percent among the native-born.
4. **Immigrants develop cutting-edge technologies and companies.** According to the National Venture Capital Association, [1] immigrants have started 25 percent of public U.S. companies that were backed by venture capital investors. This list includes Google, eBay, Yahoo!, Sun Microsystems, and Intel.
5. **Immigrants are our engineers, scientists, and innovators.** According to the Census Bureau, despite making up only 16 percent of the resident population holding a bachelor's degree or higher, immigrants represent 33 percent of engineers, 27 percent of mathematicians, statisticians, and computer scientist, and 24 percent of physical scientists. Additionally, according to the Partnership for a New American Economy, in 2011, foreign-born inventors were credited with contributing to more than 75 percent of patents issued to the top 10 patent-producing universities.
6. **Immigration boosts earnings for American workers.** Increased immigration to the United States has increased the earnings of Americans with more than a high school degree. Between 1990 and 2004, increased immigration was correlated with increasing earnings of Americans by 0.7 percent and is expected to contribute to an increase of 1.8 percent over the long-term, according to a study by the University of California at Davis.
7. **Immigrants boost demand for local consumer goods.** The Immigration Policy Center estimates that the purchasing power of Latinos and Asians, many of whom are immigrants, alone will reach \$1.5 trillion and \$775 billion, respectively, by 2015.
8. **Immigration reform legislation like the DREAM Act reduces the deficit.** According to the nonpartisan Congressional Budget Office, under the 2010 House-passed version of the

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DREAM Act, the federal deficit would be reduced by \$2.2 billion over ten years because of increased tax revenues.

9. **Comprehensive immigration reform would create jobs.** Comprehensive immigration reform could support and create up to 900,000 new jobs within three years of reform from the increase in consumer spending, according to the Center for American Progress.
10. **Comprehensive immigration reform would increase America's GDP.** The nonpartisan Congressional Budget Office found that even under low investment assumptions, comprehensive immigration reform would increase GDP by between 0.8 percent and 1.3 percent from 2012 to 2016.

As a nation of immigrants, we must remember that generations of immigrants have helped lay the railroads and build our cities, pioneer new industries and fuel our Information Age, from Google to the iPhone. As President Obama said at a naturalization ceremony held at the White House last week:

The lesson of these 236 years is clear – immigration makes America stronger. Immigration makes us more prosperous. And immigration positions America to lead in the 21st century. And these young men and women are testaments to that. No other nation in the world welcomes so many new arrivals. No other nation constantly renews itself, refreshes itself with the hopes, and the drive, and the optimism, and the dynamism of each new generation of immigrants. You are all one of the reasons that America is exceptional. You're one of the reasons why, even after two centuries, America is always young, always looking to the future, always confident that our greatest days are still to come.

We celebrate the contributions of all Americans to building our nation and its economy, including the generations of immigrants.

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[1] http://www.nvca.org/index.php?option=com_content&view=article&id=254:american-made-the-impact-of-immigrant-entrepreneurs-and-professionals-on-us-competitiveness&catid=40:research