IMMIGRATION
AND THE WEALTH OF STATES

RICHARD NADLER | AMERICAS MAJORITY FOUNDATION

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By Richard Nadler
Americas Majority Foundation
Cover art by Bob Parks

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Summary: 19 High Immigration Jurisdictions (HIJs) compared to National & 32 non-HIJ ("Other State") Averages

High Immigration Subgroup	High # (number)	High % (percent)	High + (influx)	All 19 HIJ's
Gross State Product (GSP)				
Exceeds national average growth rate, '99-'05	Y	Y	Y	Y
Exceeds 32 "other state" average growth rate, '99-05	Y	Y	Y	Y
Personal Income				
Exceeds national average growth rate, '99-'06	Y	Y	Y	Y
Exceeds 32 "other state" average growth rate, '99-06	Y	Y	Y	Y
Per Capita Personal Income				
Exceeds national average $ amount, '06	Y	Y	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	Y
Disposable Income				
Exceeds national average growth rate, '99-'06	Y	Y	Y	Y
Exceeds 32 "other state" average growth rate, '99-06	Y	Y	Y	Y
Per Capita Disposable Income				
Exceeds national average $ amount, '06	Y	Y	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	Y
Median Household Income				
Exceeds national average $ amount, '06	Y	Y	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	Y
Exceeds national average % growth, '99-'06	Y	Y	Y	Y
Per Capita Median Personal Income				
Exceeds national average $ amount, '06	Y	Y	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	Y
Exceeds national average % growth, '99-'06	Y	Y	Y	Y
Unemployment				
Rate lower than national average, '06	Y	Y	Y	Y
Trend better than national average, '99-'06	Y	Y	E	Y
Trend better than 32 "other state" average, '99-06	Y	Y	Y	Y
Household Poverty Rate				
Rate lower than national average, '06	Y	Y	Y	Y
Trend better than national average, '99-'06	Y	Y	Y	Y
Trend better than 32 "other state" average, '99-06	Y	Y	Y	Y
Individual Poverty Rate				
Rate lower than national average, '06	E	N	Y	Y
Trend better than national average, '99-'06	Y	Y	Y	Y
Trend better than 32 "other state" average, '99-06	Y	Y	Y	Y
Crime trends, 1999-2006				
Violent crime % decline > national average, '99-'06	Y	Y	N	Y
Violent crime % decline > 32 "other state" av, '99-'06	Y	Y	Y	Y
Non-violent crime % decline > than nat. average, '99-'06	Y	Y	Y	Y
Non-violent crime % decline > 32 "other state" av, '99-'06	Y	Y	Y	Y
Total crime % decline > national average, '99-'06	Y	Y	Y	Y
Total crime % decline > 32 "other state" av, '99-'06	Y	Y	Y	Y
Group	High # (number)	High % (percent)	High + (influx)	All 19 HIJ's

Key: Y = Yes; N = No, E = Even

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Summary: High Immigration States Compared to National and 32 "Other State" Averages

STATE	AZ	CA	CT	DE	DC	FL	GA	HI	IL	MD	MA	NV	NJ	NY	RI	TX	UT	VA	WA
Gross State Product (GSP)																			
Exceeds national average growth rate, '99-'05	Y	Y	N	Y	Y	Y	N	Y	N	Y	N	Y	N	N	Y	Y	Y	Y	N
Exceeds 32 "other state" average growth rate, '99-05	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N
Personal Income																			
Exceeds national average growth rate, '99-'06	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	N	Y	Y	Y	N
Exceeds 32 "other state" average growth rate, '99-06	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Per Capita Personal Income																			
Exceeds national average $ amount, '06	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Exceeds national average $ growth, '99-'06	N	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N
Exceeds national average % growth, '99-'06	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N
Disposable Income																			
Exceeds national average growth rate, '99-'06	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	N	Y	Y	Y	Y
Exceeds 32 "other state" average growth rate, '99-06	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Per Capita Disposable Income																			
Exceeds national average $ amount, '06	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Exceeds national average $ growth, '99-'06	N	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Exceeds national average % growth, '99-'06	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Median Household Income																			
Exceeds national average $ amount, '06	N	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Exceeds national average % growth, '99-'06	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N
Per Capita Median Personal Income																			
Exceeds national average $ amount, '06	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Exceeds national average $ growth, '99-'06	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Exceeds national average % growth, '99-'06	Y	Y	N	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Unemployment																			
Rate lower than national average, '06	Y	N	Y	Y	N	Y	E	Y	Y	Y	N	Y	E	Y	N	N	Y	Y	N
Trend better than national average, '99-'06	Y	Y	N	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y
Trend better than 32 "other state" average, '99-06	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Household Poverty Rate																			
Rate lower than national average, '06	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y
Trend better than national average, '99-'06	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N
Trend better than 32 "other state" average, '99-06	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Individual Poverty Rate																			
Rate lower than national average, '06	N	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y
Trend better than national average, '99-'06	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N
Trend better than 32 "other state" average, '99-06	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Crime trends, 1999-2006																			
Violent crime % decline > national average, '99-'06	N	Y	Y	N	N	Y	Y	N	Y	N	Y	N	Y	Y	Y	N	Y	Y	N
Violent crime % decline > 32 "other state" av, '99-'06	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
Non-violent crime % decline > than nat. average, '99-'06	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	N	Y	Y	N
Non-violent crime % decline > 32 "other state" av, '99-'06	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
Total crime % decline > national average, '99-'06	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	N	Y	Y	N
Total crime % decline > 32 "other state" av, '99-'06	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
	AZ	CA	CT	DE	DC	FL	GA	HI	IL	MD	MA	NV	NJ	NY	RI	TX	UT	VA	WA

Key: Y = Yes; N = No, E = Even

Executive Summary

Synopsis

An analysis of data from 50 states and the District of Columbia demonstrates that a high resident population and/or inflow of immigrants is associated with elevated *levels* and *growth rates* in Gross State Product, Personal Income, Per Capita Personal Income, Disposable Income, Per Capita Disposable Income, Median Household Income, and Median Per Capita Income.

In 1999, high immigration jurisdictions (HIJs) had higher rates of unemployment, individual poverty, and total crime than other states. In subsequent years, trends in each of these categories favored HIJs, compared to the other jurisdictions. By 2006, high immigration jurisdictions had lower rates of unemployment, individual poverty and total crime than other states.

Method:

Using definitions suggested by the Center for Immigration Studies,[1] high immigration jurisdictions are disaggregated three ways:

1) **Number of immigrants by state.**

The 10 states with the most resident immigrants are referred as the "high number sub-group," symbolized as (>) in the summary charts. They are: AZ, CA, FL, GA, IL, MA, NY, NJ, TX, & VA.

2) **Share of a state that is immigrant.**

The 10 jurisdictions whose resident populations include the highest proportion of immigrants are referred to as the "high percentage sub-group," symbolized as (%) in the summary charts. They are: AZ, CA, DC, FL, HI, MA, NV, NJ, NY, & TX.

3) **Growth in immigrant population.**

The 10 states in which recent immigrants (2000-to-2007) comprise the highest percentage of total residents are referred to as the "high influx sub-group," symbolized as (+) in the summary charts. They are: CT, DE, GA, MD, NV, NJ, RI, UT, VA & WA.

The "**high immigration jurisdictions"** (HIJs) are defined collectively as those 19 jurisdictions that meet one or more of the definitions above: AZ, CA, CT, DE, DC, FL, GA, HI, IL, MA, MD, NV, NJ,

[1] "Immigrants in the United States, 2007: A Profile of America's Foreign-Born Population," by Steven A. Camarota, pg 7; Center for Immigration Studies, November 2007

NY, RI, TX, UT, VA, and WA. These jurisdictions account for 83.8% of the resident immigrant population of the United States, according to estimates compiled by the Center for Immigration Studies.[2]

The "**Other States**" are those jurisdictions not included in any of the three "high immigration" definitions above. The 32 other states contain 16.2% of the resident immigrant population of the United States. They are: AL, AK, AR, CO, ID, IN, IA, KS, KT, LA, ME, MI, MN, MS, MO, MT, NE, NH, NM, NC, ND, OH, OK, OR, PA, SC, SD, TN, VT, WV, WI, & WY.

Purview

Statistics and trends, 1999-2006, are disaggregated among the HIJs, Other States, High Number Sub-group, High Percentage Sub-group, and High Influx Sub-group in the following areas: Gross State Product, Personal Income, Per Capita Personal Income, Disposable Income, Per Capita Disposable Income, Median Household Income, Median Per Capita Income, Unemployment Rates, Household Poverty Rates, Individual Poverty Rates, and Crime Rates.

In all rate calculations involving more than one state, each jurisdiction is weighted by population.

Findings

Gross State Product:

Gross State Product (GSP) measures broad economic activity. GSP represents the total output of goods and services produced by labor and property located in a jurisdiction.

- From 1999 to 2005, the GSP growth in the 19 HIJs exceeded that of the 32 other states, 37.64% to 30.48%.
- Over that period, GSP growth in each of the 3 HIJ sub-groups exceeded that of the 32 other states. The highest percentage GSP growth – 39.57% – occurred in the "high percentage" sub-group: the 10 jurisdictions whose resident populations include the highest percentage of resident immigrants among the 51 jurisdictions (all states, plus the District of Columbia).

Personal Income:

Personal Income (PI) represents the economic activity that is dispersed as income. PI includes wage and salary disbursements, supplements to wages and salaries, proprietors' income, rental income, and personal income from dividends and interest. The Personal Income of a jurisdiction consists of the income that is received by, or on behalf of, all the individuals who live in the area minus personal payments for government social insurance.

- From 1999 to 2006, Personal Income growth in the 19 HIJs exceeded that in the 32 other states, 44.19% to 35.36%.
- Over that period, PI growth in each of the 3 HIJ sub-groups exceeded that of the 32 other states. The greatest PI growth rate – 45.85% – occurred in the "high percentage" sub-group.

Per Capita Personal Income:

Per Capita Personal Income (PCPI) takes the broad measure of income received by, or on behalf of, individuals from all sources, and divides it by the residents in a jurisdiction.

- In 2006, the Per Capita Personal Income in the 19 HIJs exceeded that in the 32 other states, $39,091 to $36,629.

[2] "Immigrants in the United States, 2007: A Profile of America's Foreign-Born Population," by Steven A. Camarota, pg 8; Center for Immigration Studies, November 2007

- Among the HIJ sub-groups, the greatest 2006 PCPI – $39,824 – occurred in the "high influx" sub-group: the 10 states among the 51 jurisdictions whose populations include the highest percentage of recent immigrants.
- From 1999 to 2006, Per Capita Personal Income grew $9,444 in the 19 HIJs, compared to $8,401 in the 32 other states. The greatest dollar PCPI growth – $9,762 – occurred in the "high percentage" sub-group.

Disposable Personal Income:

Disposable Personal Income (DPI) is total personal income minus personal current taxes, including tax payments on earned income, net capital gains, licenses, personal property, and motor vehicles.

- From 1999 to 2006, Disposable Personal Income growth in the 19 HIJs exceeded that in the 32 other states, 47.26% to 38.47%.
- Over that period, DPI growth in each of the 3 HIJ sub-groups exceeded that of the 32 other states. The greatest percentage DPI growth – 48.67% – occurred in the "high percentage" sub-group.

Per Capita Disposable Personal Income:

Per Capita Disposable Personal Income (PCDPI) takes the broad measure of disposable (i.e., after-tax) income received by individuals from all sources and divides it by the residents in a jurisdiction.

- In 2006, the Per Capita Disposable Personal Income in the 19 HIJs exceeded that in the 32 other states, $33,957 to $32,111.
- Among the HIJ sub-groups, the highest 2006 PCDPI – $34,534 – occurred in the "high influx" states.
- From 1999 to 2006, Per Capita Disposable Personal Income grew $8,739 in the 19 HIJs, compared to $7,247 in the 32 other states. The greatest dollar PCDPI growth – $8,958 – occurred in the "high percentage" sub-group.

Median Household Income:

Median Household Income (MHI) describes the income point at which half of resident households in a jurisdiction earn more, and half, less.

- In 2006, the Median Income in the 19 HIJs exceeded that in the 32 other states, $52,689 to $44,220.
- Among the HIJ sub-groups, the greatest 2006 MHI – $56,395 – occurred in the "high influx" jurisdictions.
- From 1999 to 2006, Median Household Income grew 16.49% in the 19 HIJs, compared to 12.36% in the 32 other states. The greatest MHI growth rate – 17.06% – occurred in the "high percentage" sub-group.
- From 1999 to 2006, Median Household Income grew $7,458 in the 19 HIJs, compared to $4,863 in the 32 other states. The greatest MHI dollar growth – $7,956 – occurred in the "high influx" sub-group.
- A chained-dollar analysis of the Joint Economic Committee, covering a slightly contracted period (1999/2000 to 2005/2006) reported a national MHI *decline* of $1,169. The same data, population-weighted, show a chained-dollar MHI *gain* of $377 in the "high percentage" HIJ sub-group, and a chained-dollar MHI *gain* of $1,206 in the "high influx" HIJ sub-group.

Median Per Capita Income:

Median Per Capita Earnings (MPCI) defines the income point at which one half of all residents-with-earnings in a jurisdiction who are 16 years-or-older earn more, and half less.

- In 2006, the Median Per Capita Income in the 19 HIJs exceeded that in the 32 other states, $29,213 to $25,744.
- Among the HIJ sub-groups, the highest 2006 MPCI – $31,106 – occurred in the "high influx" jurisdictions.
- From 1999 to 2006, Median Per Capita Income grew 16.50% in the 19 HIJs, compared to 14.14% in the 32 other states. The greatest MPCI growth rate – 16.80% – occurred in the "high percentage" sub-group.
- From 1999 to 2006, Median Per Capita Income grew $4,137 in the 19 HIJs, compared to $3,190 in the 32 other states. The greatest dollar MPCI growth – $4,438 – occurred in the "high influx" sub-group.

Unemployment Rates & Trends:

Unemployment is the percentage of the workforce not employed, as sampled in the U.S. Census Bureau's monthly Current Population Surveys, then averaged for a given year.

- From 1999 to 2006, unemployment declined by 0.1% in the 19 HIJs – from 4.5% to 4.4% – while rising 1.0% in the 32 other states – from 3.9% to 4.9%.
- Over that period, unemployment rose more slowly in the "high influx" sub-group than in the 32 other states (+ 0.4% vs. + 1.0%). Unemployment declined absolutely in the "high number" sub-group (by 0.1%) and in the "high percentage" sub-group (by 0.3%).
- The "high influx" states had lowest unemployment rate among the studied groups, both in 1999 and 2006: 3.8% and 4.2% respectively.

Household Poverty Rates & Trends:

The Household Poverty Rate (HPR) is the percentage of households in a given jurisdiction whose earnings over the past 12 months fall below the federally defined poverty level.

- From 1999 to 2006, the Household Poverty Rate in the 19 HIJs rose 0.49%, compared to a 1.63% increase in the 32 other states.
- At the beginning of this period (1999), the household poverty rate was 0.52% lower in the HIJs than in the 32 other states: 11.52% to 12.04%. In 2006, the HPR was 1.65% lower in the HIJs than in the 32 other states: 12.01% to 13.66%
- The "high influx" states had lowest Household Poverty Rate among the studied groups, both in 1999 and 2006: 9.67% and 10.28% respectively.

Individual Poverty Rates & Trends:

The Individual Poverty Rate (IPR), as reported by the U.S. Census Bureau, estimates the total number of persons, including householders, dependents, and unrelated housemates, whose annual income does not exceed federally defined levels of poverty.

- From 1999 to 2006, the Individual Poverty Rate in the 19 HIJs rose 0.26%, compared to a 1.81% increase in the 32 other states.
- At the beginning of this period (1999), the Individual Poverty Rate was 0.20% higher in the HIJs than in the 32 other states: 12.58% to 12.38%. In 2006, the IPR was 1.08% *lower* in the HIJs than in the other states: 12.84% to 13.92%
- The "high influx" states had lowest Individual Poverty Rate among the studied groups, both in 1999 and 2006: 9.96% and 10.55% respectively.
- In the "high percentage" HIJ sub-group (containing 41.1% of the U.S. population), the Individual Poverty Rate *declined* 0.02% from 1999 to 2006.

Crime Rates & Trends:

The Federal Bureau of Investigation reports rates of violent and total crime annually in its Unified Crime Reports. The rates are expressed as crimes-per-100,000-residents.

- In 1999, Total Crime in the 19 HIJs exceeded Total Crime in the 32 other states, 4407-to-4099 (per 100,000 residents. By 2006, this had reversed: Total Crime in the 32 other states exceeded Total Crime in the HIJs, 3809-to-3807.
- From 1999 to 2006, the Total Crime Rate declined 13.6% in the 19 HIJs, compared to a 7.1% decline in the 32 other states.
- From 1999 to 2006, the Violent Crime Rate declined 15.0% percent in the HIJs, compared to a 1.2% decline in the 32 other states.
- In 2006, the "high influx" HIJ sub-group – the states with the most dramatic recent increase in immigrant population, 2000-2007 – had the lowest rates of Violent Crime and Total Crime among the studied groups: 413/100,000 and 3,673/100,000 respectively.

Preface

> The economic and social principles of laissez-faire and laissez-passer were intertwined and inseparable. The advantage that necessarily followed from the unhampered exchange of goods across the borders of different countries could not attain its maximum potential unless the free movement of goods was matched by the free movement of labor and capital to where the greatest capital advantage was anticipated.
>
> *– Richard M. Ebeling, "In Defense of Free Migration"*

During the first decade of the new century, the immigrant population of the United States has increased by a million residents per year on net, half of them illegal. A great debate has irrupted over the consequences of this historic inflow.

Contemporary immigration is often compared to a hostile invasion. A wave of foreign labor captures U.S. jobs in America itself, leaving burgeoning rates of unemployment, poverty and crime in its wake. The ensuing debate focuses on how to remedy these catastrophes. Absent from this conversation is the threshold question: '*Does immigration actually cause the ills attributed to it?*'

The answer, it turns out, is NO!

The concept of *laissez passer* – freedom of movement – is a bedrock corollary of market economics. It teaches that the free flow of labor in response to supply and demand produces social effects that are, on balance, benign. Laissez passer has all-but-vanished from the contemporary immigration debate. In the post-9/11 world, it is widely assumed that nations must staunch the flow of cross-border labor to fight crime and terror.

But to national security concerns, new objections to laissez passer have been added – caveats suggesting that a free market in labor is economically counterproductive and socially malignant.

Economists of the Left assert that an increased immigrant labor supply must drive down wages; which must in turn drive down consumption, eroding standards of living.

Mainstream economists have launched caveats of their own – not to markets generally, but to the applicability of laissez passer today.

To summarize some common critiques:

- Because they are disproportionately low-skilled and uneducated, the current immigrant cohorts retard the "creative destruction" whereby capitalism cuts costs through innovation.[3]

- Immigration may stimulate greater net growth. HOWEVER, that growth, built on low wages, will gravitate toward capital and away from incomes.

- Immigration may generate more *gross* income. HOWEVER, the public costs – the tax costs – associated with the limited skills, low educational levels, and high birth rates of the foreigners will reduce disposable (i.e., after-tax) income.

- Immigration may create more *net* income. HOWEVER, the mass importation of an entire low-wage proletariat will skew income distribution, enhancing the mean while diminishing the median.

Now, classical economists have addressed these caveats formally. They argue that laissez passer benefits wages in the country of origin by reducing the oversupply of labor where it cannot be utilized. They assert that the free movement of labor benefits consumers (i.e., everyone) in the destination country *directly* by lowering costs; and that it benefits them *indirectly* as workers, freeing capital for investment in new or expanded lines of work. This increases the demand for labor as well.

Other caveats, popular on the political Right, describe political and cultural idiosyncrasies that retard or abrogate the advantages of a free market in labor.

- The American welfare system will dis incent native workers displaced by immigrant labor to reenter the labor market, driving unemployment higher.

- The immigrants and their families, disadvantaged by high birth rates, poor education, and limited skill-sets, will utilize public assistance disproportionately, swelling rates of poverty and welfare dependency.

- Laxities of the American criminal justice system will tempt immigrants to adopt crime in lieu of work, proliferating assaults against persons and property.

In the ensuing study, we describe those who regard *contemporary* immigration as a successfully functioning free market institution as "advocates of laissez passer." And we describe those regard *contemporary* immigration as a failed market institution as "market anomaly analysts."

But in many respects, these two "camps" argue less about theory than about fact.

Market economists know full well that political impediments can annul the beneficence of Adam Smith's "invisible hand." A bloated welfare system will, at some level of benefits, dis incent workers. Regulations hampering the freedom to conduct business can radically devalue labor as well. Restrictions on the right to work can undermine a market-based workplace. The question honest advocates of laissez passer must answer is: *Has socialization in the United States reached levels at which free markets in labor cannot function?*

[3] In effect, such critics maintain that the current immigration retards capitalization per worker.

Market anomaly theorists agree that immigration has played an historic role in the development of the American economy, and in the creation of a broad, prosperous middle class. The question these immigration critics must answer is: *Has that historic role actually been breached?*

Advocates of laissez passer have explained the theoretical benefits of an open market in labor, both internally and across national boundaries. The "anomaly theorists" have laid out a series of caveats that would negate, or at least delay, those benefits.

The study that follows will douse all expectations with hard facts.

The concepts of classical economists are broadly descriptive. Neither their theories, nor those of their critics, can be proven through a small data base, or a narrow statistical lens. But the advocates of laissez passer and their detractors can be judged by the degree to which their descriptions match a wide range of observable phenomena.

If we posit that immigrant labor is decapitalizing American work, broad measures of economic activity, such as Gross State Product, should confirm this (Chapter 1). Personal Income trends should indicate whether immigration has eroded earnings in a global sense (Chapter 2). Per Capita Personal Income (analyzed in Chapter 3) can be used to filter the impact of differential population growth from state income trends (Chapter 3).

Some assert that the tax burden associated with immigration nullifies its economic benefits. Measurements of disposable (after-tax) income in high- and low-immigration jurisdictions test this claim (Chapters 4 & 5).

Broad measurements of economic activity – Gross State Product, Personal Income, Disposable Income – circumvent questions of income distribution. If immigration diminishes the earnings of the common man, as critics suggest, the median income of households and individuals should reflect this (Chapters 6 & 7).

Market anomaly theorists sometimes question the centrality of earning statistics to the immigration debate. Critics claim that contemporary inflows, particularly of illegals, swell the ranks of *non-earners*: the unemployed, and the welfare-dependent. To test these hypotheses, we examine state-level unemployment data (Chapter 8) and statistics on the incidence of poverty (Chapters 9 and 10).

Finally, we check whether high levels of immigration correlate, as some contend, with the ultimate market failure: an increased incidence of criminal (i.e., non-voluntary) exchange (Chapter 11).

What our study documents is that the descriptions of market failure, liberally applied by anomaly theorists to the contemporary immigration, are poorly grounded in fact. Indeed, the high immigration states exhibit every symptom a market economist might expect: above average levels of business activity, personal income, disposable income, and median income; and swifter-than-average declines in unemployment, poverty, and crime.

This is the "invasion" from which "market anomaly" theorists would protect us!

Forgotten, But Not Gone…

In the post-9/11 world, advocacy of laissez-passer – of labor moving freely in response to supply and demand – has been purged from the national conversation on immigration. It is assumed that nations must control their boundaries to address the threats of crime and terrorism. And this posture is

incorrectly rationalized, Right, Left and Center, on economic grounds. In this form, it becomes a war not on terror, but on free markets in labor, and eventually on goods.

The days of the "open border" are grinding to a close. But the nature of the border control that replaces it will vary with the public's assessment of its intent. If the purpose is to establish identification, no fundamental economic freedom is at risk. If the purpose is to prevent the access of productive labor to willing employers, then all are.

In America's states, immigration remains a dynamic wellspring of growth, opportunity, and prosperity, as it has been since our founding. To date, the absence of laissez passer from the discourse on immigration has not hindered its tangible operation in the real world. But its abandonment by its traditional advocates might.

– Richard Nadler
January 1, 2008

Technical Notes

The Three High Immigration Sub-Groups

The 10 states with the most resident immigrants are referred as the "**high number sub-group**," symbolized as (>) in the summary charts: The estimates of immigrant numbers per state are from "Immigrants in the United States, 2007," by Steven Camarota (Center for Immigration Studies, Nov. 2007)

STATE	# immigrants
United States	*37,280,000*
California	9,980,000
New York	4,105,000
Florida	3,453,000
Texas	3,438,000
New Jersey	1,869,000
Illinois	1,702,000
Georgia	953,000
Massachusetts	897,000
Arizona	891,000
Virginia	856,000
Total	28,144,000

The 10 jurisdictions whose resident populations include the highest proportion of immigrants are referred to as the "**high percentage sub-group**," symbolized as (%) in the summary charts:

STATE	% Immigrant	# immigrants
United States	*12.45%*	*37,280,000*
California	27.37%	9,980,000
New Jersey	21.42%	1,869,000
New York	21.26%	4,105,000
Florida	19.09%	3,453,000
Nevada	18.31%	457,000
Hawaii	17.58%	226,000
Texas	14.62%	3,438,000
Arizona	14.45%	891,000
Massachusetts	13.93%	897,000
District of Columbia	13.41%	78,000
Total		25,394,000

The 10 states in which recent immigrants (2000-to-2007) comprise the highest percentage of residents are referred to as the "**high influx sub-group**," symbolized as (+) in the summary charts.

STATE	Recent Im. As %	size of inflow
United States	*2.44%*	*7,293,000*
New Jersey	6.74%	588,000
Georgia	6.14%	575,000
Nevada	4.97%	124,000
Rhode Island	4.96%	53,000
Delaware	4.57%	39,000
Maryland	4.49%	252,000
Utah	4.20%	107,000
Washington	4.14%	265,000
Virginia	3.98%	304,000
Connecticut	3.91%	137,000
Total		2,444,000

Time Period

This study focuses on economic and social trends associated with immigration in the first decade of the new century. Most of the charts are bookmarked by tables derived from Census 2000 and the 2006 American Community Survey. This time period includes the last years of a major expansion (1999-2000), two years of convulsive economic contraction (2001-2002), and three years of moderate recovery (2004-2006). The goal of the study – a comparison of high immigration states with others – was well served by this combination. But in Chapter 6 (Median Household Income, pg 37), we have included a parallel chart produced by Congress' Joint Economic Committee, covering different dates, to demonstrate how little our choice of time period affected our conclusions.

Immigration Information on the States

The Table on the following page lists immigration data for all 51 jurisdictions:

- The immigration sub-group classification of each state;
- The number immigrants in each state in 2000 (*estimate from Center for Immigration Studies*)
- The number immigrants in each state in 2007 (*estimate from Center for Immigration Studies*)
- The percentage of immigrant resident population in each state
- The number growth (or contraction), state-by-state, in immigrant population, 2000 to 2007
- The 2000-to-2007 immigrant growth (or contraction) expressed as a percentage of total state population; and
- Each state's total population growth (or contraction).

Color-coding of the HIJ sub-groups

Throughout this study, data on all 19 HIJs will be listed in tables, then summarized by sub-group. Because of the overlapping definitions of "high immigration jurisdiction," the reader may refer to this color code to determine the sub-group(s) of a particular state:

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Immigration Statistics on the States

Geography	Subgroup(s)	Immigrants 2000	Immigrants 2007	Imm as % of '06 pop	Growth 2000-07	I-Growth, % '06 pop	Pop. Growth 00-06
United States		29,987,000	37,280,000	12.45%	7,293,000	2.44%	6.39%
Alabama	"other"	78,000	190,000	4.13%	112,000	2.44%	3.41%
Alaska	"other"	28,000	39,000	5.82%	11,000	1.64%	6.88%
Arizona	(>),(%)	692,000	891,000	14.45%	199,000	3.23%	20.19%
Arkansas	"other"	54,000	111,000	3.95%	57,000	2.03%	5.14%
California	(>),(%)	9,053,000	9,980,000	27.37%	927,000	2.54%	7.63%
Colorado	"other"	449,000	435,000	9.15%	(14,000)	-0.29%	10.49%
Connecticut	(+)	306,000	443,000	12.64%	137,000	3.91%	2.91%
Delaware	(+)	38,000	77,000	9.02%	39,000	4.57%	8.92%
District of Columbia	(%)	59,000	78,000	13.41%	19,000	3.27%	1.66%
Florida	(>),(%)	2,960,000	3,453,000	19.09%	493,000	2.73%	13.18%
Georgia	(>),(+)	378,000	953,000	10.18%	575,000	6.14%	14.38%
Hawaii	(%)	203,000	226,000	17.58%	23,000	1.79%	6.10%
Idaho	"other"	70,000	72,000	4.91%	2,000	0.14%	13.33%
Illinois	(>)	1,243,000	1,702,000	13.26%	459,000	3.58%	3.32%
Indiana	"other"	151,000	236,000	3.74%	85,000	1.35%	3.83%
Iowa	"other"	121,000	132,000	4.43%	11,000	0.37%	1.90%
Kansas	"other"	157,000	148,000	5.35%	(9,000)	-0.33%	2.80%
Kentucky	"other"	102,000	110,000	2.62%	8,000	0.19%	4.05%
Louisiana	"other"	118,000	113,000	2.64%	(5,000)	-0.12%	-4.05%
Maine	"other"	29,000	34,000	2.57%	5,000	0.38%	3.66%
Maryland	(+)	479,000	731,000	13.02%	252,000	4.49%	6.03%
Massachusetts	(>),(%)	816,000	897,000	13.93%	81,000	1.26%	1.39%
Michigan	"other"	543,000	493,000	4.88%	(50,000)	-0.50%	1.58%
Minnesota	"other"	261,000	375,000	7.26%	114,000	2.21%	5.03%
Mississippi	"other"	29,000	66,000	2.27%	37,000	1.27%	2.32%
Missouri	"other"	169,000	208,000	3.56%	39,000	0.67%	4.40%
Montana	"other"	7,000	15,000	1.59%	8,000	0.85%	4.70%
Nebraska	"other"	68,000	113,000	6.39%	45,000	2.54%	3.33%
Nevada	(+),(%)	333,000	457,000	18.31%	124,000	4.97%	24.89%
New Hampshire	"other"	51,000	83,000	6.31%	32,000	2.43%	6.40%
New Jersey	(>),(%),(+)	1,281,000	1,869,000	21.42%	588,000	6.74%	3.69%
New Mexico	"other"	107,000	179,000	9.16%	72,000	3.68%	7.45%
New York	(>),(%)	3,843,000	4,105,000	21.26%	262,000	1.36%	1.74%
North Carolina	"other"	373,000	623,000	7.03%	250,000	2.82%	10.07%
North Dakota	"other"	9,000	13,000	2.04%	4,000	0.63%	-0.99%
Ohio	"other"	300,000	421,000	3.67%	121,000	1.05%	1.10%
Oklahoma	"other"	114,000	111,000	3.10%	(3,000)	-0.08%	3.73%
Oregon	"other"	293,000	357,000	9.65%	64,000	1.73%	8.16%
Pennsylvania	"other"	364,000	581,000	4.67%	217,000	1.74%	1.30%
Rhode Island	(+)	87,000	140,000	13.11%	53,000	4.96%	1.84%
South Carolina	"other"	65,000	144,000	3.33%	79,000	1.83%	7.71%
South Dakota	"other"	10,000	19,000	2.43%	9,000	1.15%	3.59%
Tennessee	"other"	110,000	286,000	4.74%	176,000	2.91%	6.14%
Texas	(>),(%)	2,591,000	3,438,000	14.62%	847,000	3.60%	12.74%
Utah	(+)	132,000	239,000	9.37%	107,000	4.20%	14.19%
Vermont	"other"	22,000	30,000	4.81%	8,000	1.28%	2.48%
Virginia	(>),(+)	552,000	856,000	11.20%	304,000	3.98%	7.97%
Washington	(+)	457,000	722,000	11.29%	265,000	4.14%	8.51%
West Virginia	"other"	16,000	15,000	0.82%	(1,000)	-0.05%	0.56%
Wisconsin	"other"	211,000	257,000	4.63%	46,000	0.83%	3.59%
Wyoming	"other"	5,000	14,000	2.72%	9,000	1.75%	4.30%

Weight Ratios

Throughout this study, the individual states are weighted by population in all trend comparisons. The chart below lists the weights used relative to total US population:

	Pop ratios	Pop Ratios	
Geography	1999	2006	Geography
United States	1.0000000	1.0000000	United States
Alabama	0.0158030	0.0153609	Alabama
Alaska	0.0022277	0.0022380	Alaska
Arizona	0.0182309	0.0205957	Arizona
Arkansas	0.0094995	0.0093884	Arkansas
California	0.1203578	0.1217693	California
Colorado	0.0152866	0.0158764	Colorado
Connecticut	0.0121013	0.0117062	Connecticut
Delaware	0.0027844	0.0028506	Delaware
District of Columbia	0.0020327	0.0019423	District of Columbia
Florida	0.0567926	0.0604208	Florida
Georgia	0.0290906	0.0312758	Georgia
Hawaii	0.0043050	0.0042936	Hawaii
Idaho	0.0045979	0.0048980	Idaho
Illinois	0.0441313	0.0428592	Illinois
Indiana	0.0216062	0.0210873	Indiana
Iowa	0.0103985	0.0099603	Iowa
Kansas	0.0095543	0.0092321	Kansas
Kentucky	0.0143637	0.0140484	Kentucky
Louisiana	0.0158798	0.0143213	Louisiana
Maine	0.0045302	0.0044141	Maine
Maryland	0.0188203	0.0187567	Maryland
Massachusetts	0.0225606	0.0215004	Massachusetts
Michigan	0.0353149	0.0337198	Michigan
Minnesota	0.0174807	0.0172583	Minnesota
Mississippi	0.0101081	0.0097213	Mississippi
Missouri	0.0198870	0.0195148	Missouri
Montana	0.0032058	0.0031551	Montana
Nebraska	0.0060807	0.0059063	Nebraska
Nevada	0.0071005	0.0083351	Nevada
New Hampshire	0.0043912	0.0043918	New Hampshire
New Jersey	0.0298991	0.0291403	New Jersey
New Mexico	0.0064637	0.0065284	New Mexico
New York	0.0674313	0.0644832	New York
North Carolina	0.0285920	0.0295810	North Carolina
North Dakota	0.0022820	0.0021238	North Dakota
Ohio	0.0403417	0.0383369	Ohio
Oklahoma	0.0122614	0.0119547	Oklahoma
Oregon	0.0121576	0.0123606	Oregon
Pennsylvania	0.0436389	0.0415521	Pennsylvania
Rhode Island	0.0037250	0.0035658	Rhode Island
South Carolina	0.0142554	0.0144331	South Carolina
South Dakota	0.0026822	0.0026116	South Dakota
Tennessee	0.0202159	0.0201698	Tennessee
Texas	0.0740937	0.0785167	Texas
Utah	0.0079353	0.0085173	Utah
Vermont	0.0021634	0.0020839	Vermont
Virginia	0.0251543	0.0255275	Virginia
Washington	0.0209439	0.0213622	Washington
West Virginia	0.0064257	0.0060737	West Virginia
Wisconsin	0.0190592	0.0185589	Wisconsin
Wyoming	0.0017546	0.0017201	Wyoming

1) Gross State Product

Description:

Gross Domestic Product represents the total output of goods and services produced by labor and property located in the United States. **Gross State Product** is the state level counterpart: the total market value of goods and services attributable to labor and property located in a state.

Advocates of laissez-passer believe that immigration results from a relative oversupply of labor in the nation of origin, and an unmet demand for labor in the destination country. The free movement of labor will increase the universe of goods and services provduced, and consumer demands met. Some "market anomaly" analysts believe that recent immigration, heavily weighted to the labor that is unskilled and poorly educated, retards business competitiveness. Access to cheap labor, according to this theory, discourages technological innovation, and thus productivity and competitiveness.

In the high-immigration states, an elevated GSP increase (compared to other states) is consistent with the expectations of laissez-passer advocates; a relatively low growth rate would bolster the claims of "market anomaly" theorists.

KEY to Table 1 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- Over the period 1999-2005 Gross State Product growth in the 19 "heavy immigration" jurisdictions exceeded that of the 32 other states 37.64%-to-30.48%.

- Each of the three "high immigration" sub-groups experienced GDP growth greater than the "other state" average.

Table 1: Gross State Product, All States

Based on 2007 Statistical Abstract, in millions of current dollars, NAICS basis

	1999	2005	% of growth, 1999-2005	
United States	**$ 9,201,139**	**$ 12,402,967**	34.80%	**United States**
Wyoming	$ 15,931	$ 27,422	72.13%	Wyoming
Alaska	$ 24,322	$ 39,872	63.93%	Alaska
Nevada	$ 68,841	$ 110,546	60.58%	Nevada
Florida	$ 442,582	$ 674,049	52.30%	Florida
Texas	$ 668,996	$ 982,403	46.85%	Texas
D.C.	$ 56,407	$ 82,777	46.75%	D.C.
Montana	$ 20,405	$ 29,851	46.29%	Montana
Virginia	$ 242,679	$ 352,745	45.35%	Virginia
Arizona	$ 148,518	$ 215,759	45.27%	Arizona
Oklahoma	$ 83,220	$ 120,549	44.86%	Oklahoma
Idaho	$ 32,653	$ 47,178	44.48%	Idaho
South Dakota	$ 21,575	$ 31,066	43.99%	South Dakota
North Dakota	$ 16,853	$ 24,178	43.46%	North Dakota
Maryland	$ 171,373	$ 244,899	42.90%	Maryland
Rhode Island	$ 30,843	$ 43,791	41.98%	Rhode Island
New Mexico	$ 48,999	$ 69,324	41.48%	New Mexico
Utah	$ 63,834	$ 89,836	40.73%	Utah
Oregon	$ 104,270	$ 145,351	39.40%	Oregon
Hawaii	$ 38,625	$ 53,710	39.06%	Hawaii
New Hampshire	$ 40,212	$ 55,690	38.49%	New Hampshire
Colorado	$ 156,284	$ 216,064	38.25%	Colorado
Delaware	$ 39,439	$ 54,354	37.82%	Delaware
Vermont	$ 16,788	$ 23,134	37.80%	Vermont
California	$ 1,180,590	$ 1,621,843	37.38%	California
Maine	$ 33,361	$ 45,070	35.10%	Maine
Minnesota	$ 172,874	$ 233,292	34.95%	Minnesota
Louisiana	$ 124,047	$ 166,310	34.07%	Louisiana
Kansas	$ 78,664	$ 105,448	34.05%	Kansas
Alabama	$ 111,923	$ 149,796	33.84%	Alabama
Tennessee	$ 169,648	$ 226,502	33.51%	Tennessee
Iowa	$ 86,113	$ 114,291	32.72%	Iowa
Arkansas	$ 65,615	$ 86,802	32.29%	Arkansas
New York	$ 730,293	$ 963,466	31.93%	New York
New Jersey	$ 327,263	$ 430,787	31.63%	New Jersey
Nebraska	$ 53,404	$ 70,263	31.57%	Nebraska
Georgia	$ 277,082	$ 364,310	31.48%	Georgia
North Carolina	$ 262,676	$ 344,641	31.20%	North Carolina
West Virginia	$ 41,105	$ 53,782	30.84%	West Virginia
Massachusetts	$ 252,617	$ 328,535	30.05%	Massachusetts
Pennsylvania	$ 376,111	$ 487,169	29.53%	Pennsylvania
Connecticut	$ 150,303	$ 194,469	29.38%	Connecticut
Wisconsin	$ 169,012	$ 217,537	28.71%	Wisconsin
South Carolina	$ 108,663	$ 139,771	28.63%	South Carolina
Indiana	$ 185,737	$ 238,638	28.48%	Indiana
Missouri	$ 168,980	$ 216,069	27.87%	Missouri
Mississippi	$ 63,036	$ 80,197	27.22%	Mississippi
Illinois	$ 443,751	$ 560,236	26.25%	Illinois
Washington	$ 214,375	$ 268,502	25.25%	Washington
Kentucky	$ 113,480	$ 140,359	23.69%	Kentucky
Ohio	$ 360,614	$ 442,440	22.69%	Ohio
Michigan	$ 326,153	$ 377,895	15.86%	Michigan
Totals: all states	$ 9,201,139	$ 12,402,968	34.80%	
19 High-im. Jurisdictions	5,548,411	7,637,017	37.64%	
31 "other" states	3,652,728	4,765,951	30.48%	

- The "high percentage" sub-group performed best, at 39.57% growth.

- The GSP of the "high influx" states – those whose current population contains the highest percentage of recent immigrants – grew at 35.83%, outperforming both the "other states" (+30.48%) and the national growth rate (34.80%).

Gross State Product: Summary

	1999	2005	% growth, 1999-2005
Totals: all states	$ 9,201,139	$ 12,402,967	34.80%
19 High-imm jur.	$ 5,548,411	$ 7,637,017	37.64%
32 "other" states	$ 3,652,728	$ 4,765,951	30.48%
10 (>) states	$ 4,714,371	$ 6,494,133	37.75%
10 (%) states	$ 3,914,732	$ 5,463,875	39.57%
10 (+) states	$ 1,586,032	$ 2,154,239	35.83%

- Of the ten states with the most rapid GSP growth, six were "high immigration states" – NV (60.58%), FL (52.30%), TX (46.85%), DC (46.75%), VA (45.35%) and AZ (45.27%).

- Fifteen of the 19 "high immigration" states experienced GSP growth that exceeded the "other state" growth rate.

Discussion

Gross State Product is the broadest measure of economic activity in states, based on reports from 63 industrial groups. Its components include purchases of goods and services by consumers and government, gross private investment, and net exports of goods and services.

The superior GSP growth of high-immigration jurisdictions is consistent with the descriptive paradigm of laissez passer advocates. But the same data generates another anomaly-to-be-explained by those who believe that contemporary immigration demonstrates market failure.

* * * * *

Gross State Product tells us little about the economic condition of households and individuals living within a state – about incomes, employment, and social welfare. Subsequent chapters will disaggregate data in these areas.[4]

[4] The term "high immigration jurisdiction" is used when the group includes the District of Columbia, which is part of the "high percentage" sub-group.

2) Personal Income

Description:
Gross State Product is a broad measure of business activity. But it does not address one major concern of immigration critics: How much of this business activity translates into income?

"Personal Income (PI)," as compiled by the Department of Commerce, does just that. The Bureau of Economic Analysis (BEA) defines "personal income" to include wage and salary disbursements, supplements to wages and salaries, proprietors' income, rental income, and personal income from dividends and interest. The "personal income" of an area consists of the income that is received by, or on behalf of, all the individuals who live in the area – in this case the fifty states and the District of Columbia – minus personal payments for government social insurance.

Advocates of laissez-passer maintain that the direct downward pressure immigration may exert on wages in a particular line of work will be abundantly compensated when capital for new or supplementary investment is freed, increasing the overall demand for labor. Market anomaly analysts counter that the downward pressure on wages exerted by additional low-wage laborers might constrain income growth, relatively if not absolutely, reallocating a portion of labor's former share to capital.

PI percentage increases among the high-immigration jurisdictions exceeding the national average would be consistent with the expectations of laissez passer advocates. Increases in state aggregate income at-or-below below national averages could indicate a "market anomaly." The table below shows changes in personal income growth, state-by-state, in 1999 and 2006.

KEY to Table 2 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Table 2: Personal Income, 1999 & 2006

From U.S. Dept. of Commerce, BEA: SA51-52

Geography	1999 (1999 dollars)	2006 (2006 dollars)	Growth, 1999-2006	Geography
United States	$ 7,796,137,000	$ 10,966,808,000	40.67%	United States
Nevada	$ 56,462,368	$ 97,362,540	72.44%	Nevada
Arizona	$ 120,857,125	$ 197,008,991	63.01%	Arizona
Wyoming	$ 13,049,769	$ 20,892,944	60.10%	Wyoming
D.C.	$ 21,114,995	$ 33,355,583	57.97%	D.C.
Florida	$ 423,833,681	$ 663,260,710	56.49%	Florida
Utah	$ 49,342,572	$ 75,913,503	53.85%	Utah
Texas	$ 539,660,991	$ 824,144,412	52.72%	Texas
New Mexico	$ 38,045,599	$ 58,101,012	52.71%	New Mexico
Idaho	$ 29,068,140	$ 43,917,216	51.08%	Idaho
Montana	$ 19,372,564	$ 29,175,827	50.60%	Montana
Oklahoma	$ 77,565,113	$ 115,959,812	49.50%	Oklahoma
Delaware	$ 22,416,280	$ 33,271,963	48.43%	Delaware
Virginia	$ 204,585,792	$ 302,381,894	47.80%	Virginia
Alaska	$ 17,556,559	$ 25,878,837	47.40%	Alaska
Maryland	$ 167,074,691	$ 245,821,150	47.13%	Maryland
Colorado	$ 128,859,584	$ 188,173,243	46.03%	Colorado
Hawaii	$ 32,645,715	$ 47,339,410	45.01%	Hawaii
California	$ 999,228,183	$ 1,434,909,558	43.60%	California
Arkansas	$ 56,051,799	$ 79,951,163	42.64%	Arkansas
Georgia	$ 212,081,463	$ 299,884,835	41.40%	Georgia
North Carolina	$ 203,186,797	$ 286,404,526	40.96%	North Carolina
Alabama	$ 100,662,426	$ 141,838,062	40.90%	Alabama
North Dakota	$ 14,933,720	$ 21,005,256	40.66%	North Dakota
New Hampshire	$ 37,124,806	$ 52,141,774	40.45%	New Hampshire
South Carolina	$ 91,715,570	$ 128,290,812	39.88%	South Carolina
Rhode Island	$ 28,568,304	$ 39,780,445	39.25%	Rhode Island
Tennessee	$ 140,395,190	$ 195,085,114	38.95%	Tennessee
Washington	$ 175,491,324	$ 243,471,226	38.74%	Washington
Mississippi	$ 56,718,896	$ 78,317,451	38.08%	Mississippi
Vermont	$ 15,649,530	$ 21,601,346	38.03%	Vermont
South Dakota	$ 18,366,619	$ 25,338,251	37.96%	South Dakota
Massachusetts	$ 216,220,842	$ 297,754,674	37.71%	Massachusetts
New Jersey	$ 294,385,353	$ 404,192,118	37.30%	New Jersey
Connecticut	$ 129,807,075	$ 177,997,159	37.12%	Connecticut
Louisiana	$ 98,199,625	$ 134,504,614	36.97%	Louisiana
New York	$ 619,658,834	$ 848,744,137	36.97%	New York
Oregon	$ 89,873,232	$ 123,059,010	36.93%	Oregon
Kansas	$ 70,158,367	$ 96,034,329	36.88%	Kansas
Kentucky	$ 91,461,710	$ 125,000,728	36.67%	Kentucky
Minnesota	$ 146,721,641	$ 200,232,153	36.47%	Minnesota
Maine	$ 31,016,020	$ 42,199,321	36.06%	Maine
West Virginia	$ 37,557,062	$ 51,038,834	35.90%	West Virginia
Nebraska	$ 45,116,028	$ 60,801,061	34.77%	Nebraska
Iowa	$ 73,285,490	$ 98,458,684	34.35%	Iowa
Missouri	$ 142,924,849	$ 191,601,916	34.06%	Missouri
Pennsylvania	$ 342,610,883	$ 456,429,169	33.22%	Pennsylvania
Wisconsin	$ 144,702,139	$ 191,566,836	32.39%	Wisconsin
Illinois	$ 373,384,640	$ 491,421,726	31.61%	Illinois
Indiana	$ 154,841,764	$ 203,457,453	31.40%	Indiana
Ohio	$ 304,463,599	$ 381,260,142	25.22%	Ohio
Michigan	$ 278,061,682	$ 341,075,070	22.66%	Michigan

Findings:

- Over the period 1999-2006, Personal Income growth in the 19 "heavy immigration" jurisdictions, exceeded that of the 32 other states 44.19%-to-35.36%.

- 12 of 19 "high immigration" jurisdictions experienced personal income growth greater than the national average, compared to 10 of 32 "other states."

- Each of the three "high immigration" sub-groups experienced Personal Income growth greater than both the "other state" average and the national average.

- The greatest gain in Personal Income occurred in the "high percentage" sub-group.

Summary: Personal Income Growth, 1999-2006

	1999	2006	$ growth, 1999-2006
Totals: all states	$ 7,796,137,000	$ 10,966,808,000	40.67%
19 High-imm jur.	$ 4,686,820,228	$ 6,758,016,034	44.19%
32 "other" states	$ 3,109,316,772	$ 4,208,791,966	35.36%
10 (>) states	$ 4,003,896,904	$ 5,763,703,055	43.95%
10 (%) states	$ 3,324,068,087	$ 4,848,072,133	45.85%
10 (+) states	$ 1,340,215,222	$ 1,920,076,833	43.27%

- Six of the seven jurisdictions with the most rapid Personal Income growth were "high immigration states" – NV (72.44%), AZ (60.01%), DC (57.97%), FL (56.49%), UT (53.85%), and TX (52.72%).

Discussion

The patterns of personal income growth among the high-immigration states are clearly consistent with the paradigm laissez-passer advocates. During the past seven years of heavy immigration, aggregate earnings grew at a faster pace in high immigration states, and nowhere more so than in the sub-group with the highest proportion of resident immigrants.

* * * * *

An alternate hypothesis to explain superior personal income growth among the "high influx" HIJs is that the labor force among whom the income is distributed has increased as well. From 2000 to 2006, U.S. population increased 6.4%. Population growth in the 19 "high immigrant" jurisdictions was 8.2%.

The next chapter examines whether the apparent PI-growth advantage of high immigration jurisdictions persists when "personal income" is subdivided on a per capita basis.

3) Per Capita Personal Income

Description:

Per Capita Personal Income (PCPI) divides the broad measure of income received by individuals from all sources by the number of residents in a jurisdiction. The Bureau of Economic Analysis employs the Census Bureau's mid-year population estimates in computing Per Capita Personal Income.

In a market system, people are an asset, not a liability Advocates of lasses-passer would generally assume that population growth through immigration implies a demand for productive use of an enlarged labor supply in the destination state. The value thus created should increase both absolutely, and on a per capita basis.

Market anomaly analysts might expect population growth in the high immigration states to *offset* global growth in Personal Income.

Higher-than-average Per Capita Personal Income dollar amounts in high immigration jurisdictions support the expectations of laissez passer advocates. Above-average PCPI *dollar increases* among the HIJs over a period of time further reinforce their descriptive theory. Below-average PCPI, either in dollar level or in growth-over-time, would support the caveat of "market anomaly" critics; namely, that superior PI levels in High Immigration Jurisdictions mask a population-driven dilution of income.

KEY to Table 3 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- In 2006, HIJs accounted for each of the 6 highest-ranked jurisdictions in Per Capita Personal Income, and 7 of the top 10.

Table 3: Per Capita Personal Income, 1999 & 2006

From U.S. Department of Commerce, BEA: SA1-3

Geography	Per Capita Personal Inc. 1999	Per Capita Personal Inc. 2006		% growth, 1999-2006	$ growth, 1999-2006	Geography
United States	$ 27,939	$ 36,629		31.10%	$ 8,690	United States
D.C.	$ 37,030	**$ 57,358**		54.90%	$ 20,328	D.C.
Connecticut	$ 38,332	**$ 50,787**		32.49%	$ 12,455	Connecticut
New Jersey	$ 35,215	**$ 46,328**		31.56%	$ 11,113	New Jersey
Massachusetts	$ 34,227	**$ 46,255**		35.14%	$ 12,028	Massachusetts
New York	$ 32,816	**$ 43,962**		33.97%	$ 11,146	New York
Maryland	$ 31,796	**$ 43,774**		37.67%	$ 11,978	Maryland
Wyoming	$ 26,536	**$ 40,569**		52.88%	$ 14,033	Wyoming
New Hampshire	$ 30,380	**$ 39,655**		30.53%	$ 9,275	New Hampshire
Colorado	$ 30,492	**$ 39,587**		29.83%	$ 9,095	Colorado
Virginia	$ 29,226	**$ 39,564**		35.37%	$ 10,338	Virginia
California	$ 29,828	**$ 39,358**		31.95%	$ 9,530	California
Nevada	$ 29,184	**$ 39,015**		33.69%	$ 9,831	Nevada
Delaware	$ 28,925	**$ 38,984**		34.78%	$ 10,059	Delaware
Minnesota	$ 30,106	**$ 38,751**		28.72%	$ 8,645	Minnesota
Alaska	$ 28,100	**$ 38,622**		37.44%	$ 10,522	Alaska
Illinois	$ 30,212	**$ 38,297**		26.76%	$ 8,085	Illinois
Washington	$ 30,037	**$ 38,067**		26.73%	$ 8,030	Washington
Rhode Island	$ 27,459	**$ 37,261**		35.70%	$ 9,802	Rhode Island
Hawaii	$ 26,973	**$ 36,826**		36.53%	$ 9,853	Hawaii
Pennsylvania	$ 27,937	**$ 36,689**		31.33%	$ 8,752	Pennsylvania
Florida	$ 26,894	**$ 36,665**		36.33%	$ 9,771	Florida
Texas	$ 26,250	**$ 35,058**		33.55%	$ 8,808	Texas
Kansas	$ 26,195	**$ 34,744**		32.64%	$ 8,549	Kansas
Vermont	$ 25,881	**$ 34,623**		33.78%	$ 8,742	Vermont
Wisconsin	$ 27,135	**$ 34,476**		27.05%	$ 7,341	Wisconsin
Nebraska	$ 26,465	**$ 34,383**		29.92%	$ 7,918	Nebraska
Michigan	$ 28,095	**$ 33,784**		20.25%	$ 5,689	Michigan
Oregon	$ 26,480	**$ 33,252**		25.57%	$ 6,772	Oregon
Ohio	$ 26,859	**$ 33,217**		23.67%	$ 6,358	Ohio
North Dakota	$ 23,180	**$ 33,034**		42.51%	$ 9,854	North Dakota
Iowa	$ 25,118	**$ 33,017**		31.45%	$ 7,899	Iowa
Missouri	$ 25,697	**$ 32,793**		27.61%	$ 7,096	Missouri
South Dakota	$ 24,475	**$ 32,405**		32.40%	$ 7,930	South Dakota
Oklahoma	$ 22,567	**$ 32,398**		43.56%	$ 9,831	Oklahoma
North Carolina	$ 25,560	**$ 32,338**		26.52%	$ 6,778	North Carolina
Tennessee	$ 24,898	**$ 32,305**		29.75%	$ 7,407	Tennessee
Indiana	$ 25,615	**$ 32,226**		25.81%	$ 6,611	Indiana
Georgia	$ 26,359	**$ 32,025**		21.50%	$ 5,666	Georgia
Arizona	$ 24,057	**$ 31,949**		32.81%	$ 7,892	Arizona
Maine	$ 24,484	**$ 31,931**		30.42%	$ 7,447	Maine
Louisiana	$ 22,014	**$ 31,369**		42.50%	$ 9,355	Louisiana
Montana	$ 21,585	**$ 30,886**		43.09%	$ 9,301	Montana
Alabama	$ 22,722	**$ 30,841**		35.73%	$ 8,119	Alabama
Idaho	$ 22,786	**$ 29,948**		31.43%	$ 7,162	Idaho
Utah	$ 22,393	**$ 29,769**		32.94%	$ 7,376	Utah
New Mexico	$ 21,042	**$ 29,725**		41.27%	$ 8,683	New Mexico
Kentucky	$ 22,763	**$ 29,719**		30.56%	$ 6,956	Kentucky
South Carolina	$ 23,075	**$ 29,688**		28.66%	$ 6,613	South Carolina
Arkansas	$ 21,137	**$ 28,444**		34.57%	$ 7,307	Arkansas
West Virginia	$ 20,729	**$ 28,067**		35.40%	$ 7,338	West Virginia
Mississippi	$ 20,053	**$ 26,908**		34.18%	$ 6,855	Mississippi

➢ In 2006, 14 of 19 HIJs registered Per Capita Personal Income above the national average, compared to 6 of the 32 remaining states.

➢ The 19 "high immigration" jurisdictions, weighted individually for population,[5] had above-average Per Capita Personal Income in both 1999 and 2006. But they also experienced PCPI *growth* greater than the national average – $9,444 compared to $8,690.

Summary: State personal income per capita, 1999-2006

	1999	2006	$ change '99-'06
United States	$ 27,939	$ 36,629	$ 8,690
19 high imm juris	$ 29,647	$ 39,091	$ 9,444
32 "other states"	$ 24,865	$ 33,266	$ 8,401
10 (>) states	$ 29,471	$ 38,805	$ 9,335
10 (%) states	$ 29,636	$ 39,398	$ 9,762
10 (+) states	$ 30,554	$ 39,824	$ 9,269

➢ In 2006. all three high immigration sub-groups had Per Capita Personal Income above the national average;

➢ PCPI *dollar growth,* 1999-2006 exceeded the national average growth in each sub-group.

➢ In 2006, the "rapid influx" sub-group had the highest PCPI of the measured groups ($39,824).

➢ From 1999 to 2006, the "high percentage" sub-group experienced the greatest PCPI dollar growth ($9,762) among the measured groups.

Discussion

The elevated Per Capita Personal Income growth of the high-immigration jurisdictions is consistent with the descriptive expectations of market theorists, and advocates of laissez-passer. The superior income growth of HIJs is not mere smoke and mirrors...

* * * * *

Personal Income is a broad indicator of earnings. But another caveat raised by "market anomaly" critics is that income growth in high immigration states is severely attenuated by the attendant social costs.

Not all personal income is realized. Local, state, and federal taxes affect what individuals and households can actually expend. Does the cost of government services in high immigration jurisdictions nullify advantages in Gross State Product and Personal Income?

The next two chapters examine patterns of disposable (after-tax) income distribution among the states that are immigrant rich and immigrant poor.

[5] See Technical Notes, pg 17, for weights

4) Disposable Personal Income

Description:

Disposable Personal Income (DPI) is total personal income minus personal current taxes, including tax payments on earned income, net capital gains, licenses, personal property, and motor vehicles.

Does the apparent Personal Income advantage of high-immigration states persist net of taxes?

Market anomaly critics of contemporary immigration expect that the public costs of an enlarged low-skilled labor supply will outweigh its public benefits. 'Disposable income' is one measure that might reveal such a pattern.

To the extent that the HIJ's superior PI and PCPI growth, 1999-2006, is mirrored in the Disposable Personal Income statistics, the expectations of laissez-passer advocates are confirmed; to the extent that taxation nullifies the HIJ's Personal Income advantage, the caveat of market anomaly analysts is vindicated.

KEY to Table 4 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- Over the period 1999-2006, Disposable Personal Income growth in the 19 "heavy immigration" jurisdictions exceeded that of the 32 other states 47.26%-to-38.47%. The 8.8% after-tax spread duplicates the HIJ advantage in Personal Income growth.[6]

[6] Summary table Chapter 2, pg 23.

Table 4: Disposable Personal Income, 1999 & 2006

From U.S. Dept. of Commerce, BEA: SA51-52

AreaName	1999 (1999 dollars)	2006 (2006 dollars)	Growth, 1999-2006
United States	$ 6,689,767,000	$ 9,613,847,000	43.71%
Nevada	$ 49,043,465	$ 85,292,228	73.91%
Arizona	$ 105,329,672	$ 173,912,516	65.11%
D.C.	$ 17,514,421	$ 28,667,680	63.68%
Wyoming	$ 11,332,783	$ 18,490,592	63.16%
Florida	$ 370,487,740	$ 585,084,329	57.92%
Utah	$ 42,941,479	$ 67,028,818	56.09%
Texas	$ 478,002,675	$ 744,520,517	55.76%
New Mexico	$ 33,777,465	$ 52,471,009	55.34%
Idaho	$ 25,497,883	$ 38,946,931	52.75%
Montana	$ 17,130,988	$ 26,085,717	52.27%
Oklahoma	$ 68,352,888	$ 103,807,980	51.87%
Delaware	$ 19,001,269	$ 28,821,824	51.68%
Virginia	$ 172,649,964	$ 260,808,727	51.06%
Alaska	$ 15,576,693	$ 23,466,257	50.65%
Colorado	$ 109,656,083	$ 164,993,562	50.46%
Maryland	$ 140,891,170	$ 210,555,601	49.45%
California	$ 840,396,917	$ 1,232,317,356	46.64%
Washington	$ 149,729,313	$ 218,074,169	45.65%
Hawaii	$ 28,624,996	$ 41,620,942	45.40%
Arkansas	$ 49,719,829	$ 72,079,342	44.97%
New Hampshire	$ 32,112,680	$ 46,516,916	44.86%
Georgia	$ 182,605,706	$ 264,473,119	44.83%
Alabama	$ 89,022,304	$ 127,686,495	43.43%
North Carolina	$ 175,967,102	$ 252,355,496	43.41%
South Carolina	$ 80,438,036	$ 114,584,779	42.45%
Massachusetts	$ 177,680,198	$ 253,090,115	42.44%
North Dakota	$ 13,441,261	$ 19,084,759	41.99%
Tennessee	$ 125,704,339	$ 178,257,590	41.81%
Mississippi	$ 51,019,707	$ 72,266,594	41.64%
Rhode Island	$ 24,716,471	$ 34,993,026	41.58%
Vermont	$ 13,651,775	$ 19,194,644	40.60%
New Jersey	$ 247,445,406	$ 347,733,806	40.53%
Kentucky	$ 79,693,364	$ 111,760,426	40.24%
Louisiana	$ 87,654,880	$ 122,814,317	40.11%
South Dakota	$ 16,523,642	$ 23,149,084	40.10%
Kansas	$ 60,999,657	$ 85,287,618	39.82%
Connecticut	$ 105,479,853	$ 147,251,851	39.60%
Oregon	$ 76,895,133	$ 107,099,786	39.28%
New York	$ 515,420,782	$ 715,076,244	38.74%
Maine	$ 27,037,604	$ 37,471,077	38.59%
Minnesota	$ 125,656,414	$ 173,986,679	38.46%
West Virginia	$ 33,535,015	$ 46,165,841	37.66%
Nebraska	$ 39,508,202	$ 54,292,891	37.42%
Iowa	$ 64,411,095	$ 88,411,089	37.26%
Missouri	$ 124,279,240	$ 170,498,626	37.19%
Wisconsin	$ 123,909,855	$ 168,473,869	35.96%
Pennsylvania	$ 295,567,878	$ 401,263,541	35.76%
Illinois	$ 318,411,092	$ 431,111,307	35.39%
Indiana	$ 134,236,748	$ 181,570,862	35.26%
Michigan	$ 238,508,173	$ 305,218,417	27.97%
Ohio	$ 262,575,695	$ 335,660,039	27.83%

➢ 13 of 19 "high immigration" jurisdictions experienced Disposable Personal Income growth greater than the national average, compared to 9 of 32 "other states."

➢ Each of the three "high immigration" sub-groups experienced DPI growth greater than both the "other state" average and the national average.

➢ The greatest percentage gain in Disposable Personal Income (48.67%) occurred in the "high percentage" sub-group.

Summary: Disposable Personal Income Growth, 1999-2006

	1999	2006	$ growth, 1999-2006
Totals: all states	$ 6,689,767,000	$ 9,613,847,000	43.71%
19 High-imm jur.	$ 3,986,372,589	$ 5,870,434,175	47.26%
32 "other" states	$ 2,703,394,411	$ 3,743,412,825	38.47%
10 (>) states	$ 3,408,430,152	$ 5,008,128,036	46.93%
10 (%) states	$ 2,829,946,272	$ 4,207,315,733	48.67%
10 (+) states	$ 1,134,504,096	$ 1,665,033,169	46.76%

➢ Six of the seven jurisdictions with the most rapid Disposable Personal Income growth were "HIJ's" – NV (73.93%), AZ (65.11%), DC (63.68%), FL (57.92%), UT (56.09%), and TX (55.76%).

Discussion

The "high immigrations jurisdictions" include high tax states like Connecticut, New York and New Jersey, and low tax states like Texas, Georgia, and Utah. In this study, we are concerned with state and local taxes, which are the tax sources directly strained by an influx of immigrants.

The Disposable Personal Income statistics demonstrate that the tax burdens in high immigration states do not nullify the HIJ gains in personal income. But do citizens in HIJ states pay more state and local taxes than the citizens of other states?

In fact, they do not. The Tax Foundation estimates that the in 2007, the national percentage of income paid in state and local taxes equaled 11.0%. The population-weighted average state-local tax burden in the 19 HIJ's was exactly that: 11.0%.[7]

Eight of the 11 HIJ's have 2007 state-local tax burdens higher than the national average: New York (13.8%), Rhode Island (12.7%), the District of Columbia (12.5%), Hawaii 12.4%, Connecticut (12.2%), New Jersey (11.6%), California (11.5%), and Washington (11.1%).

Eleven of the HIJ's have state-local tax burdens lower than the 11.0% national average: Illinois (10.8%), Maryland (10.8%), Utah (10.7%), Massachusette (10.6%), Arizona (10.3%), Georgia (10.3%), Virginia (10.2%), Nevada (10.1%), Florida (10.0%), Texas (9.3%), and Delaware (8.8%).

The Tax Foundation also rates states (but not the District of Columbia) on overall tax climate. The Foundation's 2008 State Business Tax Climate Index (SBTCI) packs 113 variables into a five-component index measuring corporate taxes, individual taxes, sales taxes, unemployment taxes, and property taxes.

[7] Tax Foundation, State & Local Tax Burdens, 1970-2007, based on data from the Dept. of Commerce Bureau of Economic Analysis

Twelve of the 18 high immigration states place in the upper half of the SBTCI: Nevada (3rd most business-friendly), Florida (5th), Texas (8th), Delaware (9th), Washington (11th), Virginia (14th), Utah (17th), Connecticut (18th), Georgia (20th), Hawaii (22nd), Maryland (24th), and Arizona (25th).

Six of the 18 high immigration states place in the lower half of the SBTCI: Illinois (ranked 28th), Massachusetts (34th), California (47th), New York (48th), New Jersey (49th), and Rhode Island (50th).

To summarize: the actual state-local tax levels of the HIJs mirror those of the rest of the nation. But Disposable Income levels in the HIJs are generally superior.

Particularly telling is the fact that the best DPI growth rate occurs in the "high percentage" sub-group. If immigration is an indicator of abnormally high tax costs, why would the states with the highest ratio of immigrants have the most after-tax income?

* * * * *

"Disposable Personal Income" is, like Personal Income, an aggregate calculation. Population growth in the HIJs, 1999-to-2006, was 8.2%, compared to a nationwide increment of 6.4%. This raises an analogous question: Is population growth masking a dilution in DPI?

5) Per Capita Disposable Personal Income

Description:

Per Capita Disposable Personal Income (PCDPI) takes the broad measure of disposable (i.e., after-tax) income received by individuals from all sources, described in the previous chapter, and divides it by the residents in a jurisdiction. The Bureau of Economic Analysis uses the Census Bureau's mid-year population estimates in computing per capita disposable personal income.

Advocates of laissez-passer would predict that population growth caused by immigration implies a demand for productive use of an enlarged labor supply in the destination state. The resulting creation of value should exceed the increase in costs associated with it.

Market anomaly analysts might expect that the superior growth of disposable personal income in high immigration states would be offset by population growth.

Above-average PCDPI *dollar amounts* and *dollar growth over time* in high immigration jurisdictions would indicate that immigration is functioning as classical economic models would predict. Below-average results in the HIJs would support a theory of market anomaly: a public cost outweighing the private benefit.

KEY to Table 5 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Table 5: Per Capita Disposable Personal Income, 1999 & 2006

From U.S. Department of Commerce, BEA: SA51-52

Geography	Disposable income per capita 1999	Disposable income per capita 2006	% growth, 1999-2006	$ growth, 1999-2006	Geography
United States	$ 23,974	$ 32,111	33.94%	$ 8,137	United States
Delaware	$ 30,716	$ 49,297	60.49%	$ 18,581	Delaware
Connecticut	$ 31,148	$ 42,014	34.89%	$ 10,866	Connecticut
New Jersey	$ 29,600	$ 39,857	34.65%	$ 10,257	New Jersey
Massachusetts	$ 28,126	$ 39,317	39.79%	$ 11,191	Massachusetts
Maryland	$ 26,813	$ 37,494	39.84%	$ 10,681	Maryland
New York	$ 27,296	$ 37,039	35.69%	$ 9,743	New York
Wyoming	$ 23,044	$ 35,904	55.81%	$ 12,860	Wyoming
New Hampshire	$ 26,278	$ 35,377	34.63%	$ 9,099	New Hampshire
Alaska	$ 24,932	$ 35,021	40.47%	$ 10,089	Alaska
Colorado	$ 25,948	$ 34,711	33.77%	$ 8,763	Colorado
Nevada	$ 25,349	$ 34,178	34.83%	$ 8,829	Nevada
Virginia	$ 24,664	$ 34,124	38.36%	$ 9,460	Virginia
Washington	$ 25,627	$ 34,096	33.05%	$ 8,469	Washington
California	$ 25,087	$ 33,801	34.74%	$ 8,714	California
D.C.	$ 24,518	$ 33,770	37.74%	$ 9,252	D.C.
Minnesota	$ 25,784	$ 33,672	30.59%	$ 7,888	Minnesota
Illinois	$ 25,763	$ 33,597	30.41%	$ 7,834	Illinois
Rhode Island	$ 23,757	$ 32,777	37.97%	$ 9,020	Rhode Island
Hawaii	$ 23,651	$ 32,377	36.89%	$ 8,726	Hawaii
Florida	$ 23,509	$ 32,343	37.58%	$ 8,834	Florida
Pennsylvania	$ 24,101	$ 32,254	33.83%	$ 8,153	Pennsylvania
Texas	$ 23,251	$ 31,671	36.21%	$ 8,420	Texas
Kansas	$ 22,775	$ 30,856	35.48%	$ 8,081	Kansas
Vermont	$ 22,577	$ 30,765	36.27%	$ 8,188	Vermont
Nebraska	$ 23,175	$ 30,703	32.48%	$ 7,528	Nebraska
Wisconsin	$ 23,236	$ 30,320	30.49%	$ 7,084	Wisconsin
Michigan	$ 24,099	$ 30,233	25.45%	$ 6,134	Michigan
North Dakota	$ 20,863	$ 30,014	43.86%	$ 9,151	North Dakota
Iowa	$ 22,076	$ 29,647	34.30%	$ 7,571	Iowa
South Dakota	$ 22,019	$ 29,605	34.45%	$ 7,586	South Dakota
Tennessee	$ 22,293	$ 29,519	32.41%	$ 7,226	Tennessee
Ohio	$ 23,164	$ 29,244	26.25%	$ 6,080	Ohio
Missouri	$ 22,345	$ 29,181	30.59%	$ 6,836	Missouri
Oklahoma	$ 19,887	$ 29,003	45.84%	$ 9,116	Oklahoma
Oregon	$ 22,657	$ 28,940	27.73%	$ 6,283	Oregon
Indiana	$ 22,206	$ 28,759	29.51%	$ 6,553	Indiana
Louisiana	$ 19,650	$ 28,643	45.77%	$ 8,993	Louisiana
North Carolina	$ 22,136	$ 28,494	28.72%	$ 6,358	North Carolina
Maine	$ 21,343	$ 28,353	32.84%	$ 7,010	Maine
Georgia	$ 22,695	$ 28,244	24.45%	$ 5,549	Georgia
Arizona	$ 20,966	$ 28,204	34.52%	$ 7,238	Arizona
Alabama	$ 20,095	$ 27,764	38.16%	$ 7,669	Alabama
Montana	$ 19,087	$ 27,615	44.68%	$ 8,528	Montana
New Mexico	$ 18,681	$ 26,845	43.70%	$ 8,164	New Mexico
Kentucky	$ 19,834	$ 26,571	33.97%	$ 6,737	Kentucky
Idaho	$ 19,988	$ 26,558	32.87%	$ 6,570	Idaho
South Carolina	$ 20,238	$ 26,517	31.03%	$ 6,279	South Carolina
Utah	$ 19,488	$ 26,285	34.88%	$ 6,797	Utah
Arkansas	$ 18,749	$ 25,643	36.77%	$ 6,894	Arkansas
West Virginia	$ 18,509	$ 25,387	37.16%	$ 6,878	West Virginia
Mississippi	$ 18,038	$ 24,829	37.65%	$ 6,791	Mississippi

Findings:

➢ In 2006, HIJs accounted for each of the 6 highest-ranked jurisdictions in Per Capita Disposable Personal Income, and 7 of the top 10.

➢ In 2006, 15 of 19 high immigration jurisdictions registered Per Capita Disposable Personal Income above the national average, compared to 7 of the 32 remaining states. From 1999 to 2006, PCDPI grew an extra $1,492 per capita in the HIJs, compared to the other states.

Summary: State disposable income per capita, 1999-2006

	1999	2006	$ change '99-'06
United States	$ 23,974	$ 32,111	$ 8,137
19 high imm states	$ 25,218	$ 33,957	$ 8,739
32 "other" states	$ 22,340	$ 29,588	$ 7,247
10 (>) states	$ 25,090	$ 33,718	$ 8,629
10 (%) states	$ 25,233	$ 34,191	$ 8,958
10 (+) states	$ 25,866	$ 34,534	$ 8,668

➢ In 2006, the three HIJ sub-groups each had higher-than-average Per Capita Disposable Personal Income; between 1999 and 2006, each sub-group realized greater-than-average PCDPI *dollar growth*.

➢ The "rapid influx" sub-group had the highest per capita personal income of the measured groups ($25,866); the "high percentage" sub-group experienced the greatest per capita DPI dollar growth ($8,958) from 1999 to 2006.

Discussion

The superior PCDPI dollar amounts and growth rates of the high-immigration jurisdictions is consistent with the descriptive expectations of laissez passer advocates. The caveat that Disposable Personal Income statistics for the HIJs conceal major dilutions related to population growth proves unfounded.

* * * * *

But questions regarding the benignity of Adam Smith's "invisible hand" remain. Per Capita Personal Income and Per Capita Disposable Personal Income are "averaged" descriptions of income, dividing a total dollar amount evenly among individual residents of a given geographical area. Neither concept addresses the distribution of income among those individuals. Market anomaly theorists believe that contemporary immigrant cohorts, peopled by the low-skilled and uneducated, must depress wages among the middle class and the working poor, regardless of immigration's impact on global measures of business activity or incomes. Classical economists would counter that any downward pressures on earnings are more-than-compensated by productivity gains, and by the new demand for labor that reallocated capital creates.

An examination of state trends in *median* income should help determine which camp is correct.

6) Median Household Income

Description:

Those who regard contemporary U.S. immigration as an example of market failure contend that the rapid influx of low-wage, foreign workers depresses earnings for middle-income Americans, while driving the working-poor into unemployment and poverty.

To assess these claims, the next five chapters will examine the correlations between high levels of immigration and shifts in median income, unemployment, and poverty.

Median Household Income (MHI) sorts all households in a jurisdiction by earnings, then describes the income point at which half of all households earn more, and half, less. This pinpoints the middle of the middle class. As such, it is a useful starting point in describing distributive trends.

If the influx of foreign workers is an "invasion," and not a response to market demand, it should result in downward pressure on the median incomes of households and individuals. The charts below exhibit the dollar levels and change rates (1999-2006) of Median Household Income among the 50 states and the District of Columbia.

KEY to Table 6 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- In 2006, seven HIJs were among the top 10 in median household income: MD ($65,144), NJ ($64,470), CT ($63,422), HI ($61,160, MA ($59,963), CA ($56,645), and VA ($56,277).

Table 6A: Median Household Incomes, 1999 & 2006

Based on Census 2000, SF-3, and 2006 American Community Survey, U.S. Census Bureau

Geography	Median HH Inc 1999	Median HH Inc 2006	Geography	% Increase, 99-06	$ Increase, 99-06
United States	$ 41,994	**$ 48,451**	United States	15.38%	**$ 6,457**
Maryland	$ 52,868	**$ 65,144**	Maryland	23.22%	**$ 12,276**
New Jersey	$ 55,146	**$ 64,470**	New Jersey	16.91%	**$ 9,324**
Connecticut	$ 53,935	**$ 63,422**	Connecticut	17.59%	**$ 9,487**
Hawaii	$ 49,820	**$ 61,160**	Hawaii	22.76%	**$ 11,340**
Massachusetts	$ 50,502	**$ 59,963**	Massachusetts	18.73%	**$ 9,461**
New Hampshire	$ 49,467	**$ 59,683**	New Hampshire	20.65%	**$ 10,216**
Alaska	$ 51,571	**$ 59,393**	Alaska	15.17%	**$ 7,822**
California	$ 47,493	**$ 56,645**	California	19.27%	**$ 9,152**
Virginia	$ 46,677	**$ 56,277**	Virginia	20.57%	**$ 9,600**
Minnesota	$ 47,111	**$ 54,023**	Minnesota	14.67%	**$ 6,912**
Nevada	$ 44,581	**$ 52,998**	Nevada	18.88%	**$ 8,417**
Delaware	$ 47,381	**$ 52,833**	Delaware	11.51%	**$ 5,452**
Washington	$ 45,776	**$ 52,583**	Washington	14.87%	**$ 6,807**
Colorado	$ 47,203	**$ 52,015**	Colorado	10.19%	**$ 4,812**
Illinois	$ 46,590	**$ 52,006**	Illinois	11.62%	**$ 5,416**
District of Columbia	$ 40,127	**$ 51,847**	District of Columbia	29.21%	**$ 11,720**
Rhode Island	$ 42,090	**$ 51,814**	Rhode Island	23.10%	**$ 9,724**
New York	$ 43,393	**$ 51,384**	New York	18.42%	**$ 7,991**
Utah	$ 45,726	**$ 51,309**	Utah	12.21%	**$ 5,583**
Wisconsin	$ 43,791	**$ 48,772**	Wisconsin	11.37%	**$ 4,981**
Vermont	$ 40,856	**$ 47,665**	Vermont	16.67%	**$ 6,809**
Wyoming	$ 37,892	**$ 47,423**	Wyoming	25.15%	**$ 9,531**
Arizona	$ 40,558	**$ 47,265**	Arizona	16.54%	**$ 6,707**
Michigan	$ 44,667	**$ 47,182**	Michigan	5.63%	**$ 2,515**
Georgia	$ 42,433	**$ 46,832**	Georgia	10.37%	**$ 4,399**
Pennsylvania	$ 40,106	**$ 46,259**	Pennsylvania	15.34%	**$ 6,153**
Oregon	$ 40,916	**$ 46,230**	Oregon	12.99%	**$ 5,314**
Florida	$ 38,819	**$ 45,495**	Florida	17.20%	**$ 6,676**
Kansas	$ 40,624	**$ 45,478**	Kansas	11.95%	**$ 4,854**
Nebraska	$ 39,250	**$ 45,474**	Nebraska	15.86%	**$ 6,224**
Indiana	$ 41,567	**$ 45,394**	Indiana	9.21%	**$ 3,827**
Texas	$ 39,927	**$ 44,922**	Texas	12.51%	**$ 4,995**
Ohio	$ 40,956	**$ 44,532**	Ohio	8.73%	**$ 3,576**
Iowa	$ 39,469	**$ 44,491**	Iowa	12.72%	**$ 5,022**
Maine	$ 37,240	**$ 43,439**	Maine	16.65%	**$ 6,199**
Idaho	$ 37,572	**$ 42,865**	Idaho	14.09%	**$ 5,293**
Missouri	$ 37,934	**$ 42,841**	Missouri	12.94%	**$ 4,907**
South Dakota	$ 35,282	**$ 42,791**	South Dakota	21.28%	**$ 7,509**
North Carolina	$ 39,184	**$ 42,625**	North Carolina	8.78%	**$ 3,441**
North Dakota	$ 34,604	**$ 41,919**	North Dakota	21.14%	**$ 7,315**
South Carolina	$ 37,082	**$ 41,100**	South Carolina	10.84%	**$ 4,018**
New Mexico	$ 34,133	**$ 40,629**	New Mexico	19.03%	**$ 6,496**
Montana	$ 33,024	**$ 40,627**	Montana	23.02%	**$ 7,603**
Tennessee	$ 36,360	**$ 40,315**	Tennessee	10.88%	**$ 3,955**
Kentucky	$ 33,672	**$ 39,372**	Kentucky	16.93%	**$ 5,700**
Louisiana	$ 32,566	**$ 39,337**	Louisiana	20.79%	**$ 6,771**
Alabama	$ 34,135	**$ 38,783**	Alabama	13.62%	**$ 4,648**
Oklahoma	$ 33,400	**$ 38,770**	Oklahoma	16.08%	**$ 5,370**
Arkansas	$ 32,182	**$ 36,599**	Arkansas	13.73%	**$ 4,417**
West Virginia	$ 29,696	**$ 35,059**	West Virginia	18.06%	**$ 5,363**
Mississippi	$ 31,330	**$ 34,473**	Mississippi	10.03%	**$ 3,143**

- The 10 top dollar-amount gainers in Median Household Income, 1999-2006, included 8 high immigration states: MD ($12,276), DC ($11,720), HI ($11,340), RI ($9,726), VA ($9,600), CT ($9,487), MA ($9,461), and NJ ($9,324).

Summary: Median Household Income

	1999	2006	% change 99-06	$ change 99-06
United States	$ 41,994	$ 48,451	15.38%	$ 6,457
19 high imm juris	$ 45,231	$ 52,689	16.49%	$ 7,458
32 "other" states	$ 39,357	$ 44,220	12.36%	$ 4,863
10 (>) states	$ 44,690	$ 51,923	16.18%	$ 7,233
10 (%) states	$ 44,551	$ 52,150	17.06%	$ 7,599
10 (+) states	$ 48,439	$ 56,395	16.42%	$ 7,956

- In 2006, 15 of 19 high immigration jurisdictions registered Median Household Income above the national average, compared to 5 of the 32 remaining states. *All 19 HIJs had Median Household Incomes higher than the population-weighted* [8] *average of the 32 other states.*
- The 19 "high immigration" jurisdictions, weighted for population, had above-average Median Household Income in both 1999 and 2006. But over that span, they also experienced MHI *growth* greater than the national average – $7,458 compared to $6,457 nationally, and 16.49% compared to 15.38%.
- In both 1999 and 2006, each HIJ sub-group had Median Household Income higher than the national average. From 1999 to 2006, each subset experienced above-average MHI *growth*, both in dollars and in rate.
- The greatest dollar growth in median income ($7,956) occurred in the ten states with the highest recent influx of immigrants as a percentage of their population.

Discussion 1

Earlier chapters of this study demonstrate that during the 2000s, HIJs, variously defined, experienced superior growth in Gross State Product, Personal Income, and Disposable Income. None of these terms addresses distribution. Median Household Income does.

Median Household Income defines the middle class. If a free market in labor does not depress median income, the theory of immigration as a market anomaly becomes, itself… an anomaly. And clearly, the high immigration states enjoyed above-average MHI dollar levels, dollar growth, and growth rates.

Laissez passer advocates *expect* freer labor markets to produce greater value.

* * * * *

But perhaps "Median Household Income" conceals a concentration of low income individuals in immigrant households that are large and poor. The Center for Immigration Studies estimates that 3.1 persons reside in the average immigrant household, compared to 2.4 in the average non-immigrant household. Hypothetically, the median income point for households could differ substantially from the median income point for individuals. The next chapter will explore that possibility.

Discussion 2

When Congress changed hands in November of 2006, the new Joint Committee on Taxation released its take on Median Household Income, comparing 1999-2000 to 2005-2006 in chained dollars. This date range heightened the weight of the pre-9/11 boom, and attenuated the recovery from it (see table below).

[8] See Chapter 2, pg 17, "Technical Notes", for weights

Table 6B: JEC Median Household Incomes, ’99-’00 & ’05-06

Source: Joint Economic Committee Fact Sheet, August 29, 2007

Geography	1999-2000 average	% Change,99-00 to 05-06	$ Change,99-00 to 05-06	2005-2006 average	Geography
United States	$ 49,192	-2.4%	$ (1,169.00)	**$ 48,023**	United States
New Jersey	$ 59,585	12.0%	$ 7,167.00	**$ 66,752**	New Jersey
Maryland	$ 63,496	-0.7%	$ (414.00)	**$ 63,082**	Maryland
Hawaii	$ 57,089	6.9%	$ 3,916.00	**$ 61,005**	Hawaii
Connecticut	$ 59,968	1.0%	$ 583.00	**$ 60,551**	Connecticut
New Hampshire	$ 57,664	4.8%	$ 2,747.00	**$ 60,411**	New Hampshire
Alaska	$ 62,019	-8.0%	$ (4,948.00)	**$ 57,071**	Alaska
Massachusetts	$ 53,982	4.8%	$ 2,610.00	**$ 56,592**	Massachusetts
Minnesota	$ 60,205	-6.8%	$ (4,103.00)	**$ 56,102**	Minnesota
Utah	$ 55,685	-0.1%	$ (66.00)	**$ 55,619**	Utah
Virginia	$ 55,243	0.2%	$ 125.00	**$ 55,368**	Virginia
California	$ 53,791	1.1%	$ 594.00	**$ 54,385**	California
Colorado	$ 57,376	-6.1%	$ (3,476.00)	**$ 53,900**	Colorado
Washington	$ 52,395	2.1%	$ 1,120.00	**$ 53,515**	Washington
Delaware	$ 57,682	-8.7%	$ (5,006.00)	**$ 52,676**	Delaware
Rhode Island	$ 50,537	3.7%	$ 1,884.00	**$ 52,421**	Rhode Island
Vermont	$ 48,327	8.0%	$ 3,847.00	**$ 52,174**	Vermont
Nevada	$ 51,861	-1.6%	$ (825.00)	**$ 51,036**	Nevada
Illinois	$ 54,985	-10.3%	$ (5,657.00)	**$ 49,328**	Illinois
Wisconsin	$ 54,012	-9.5%	$ (5,109.00)	**$ 48,903**	Wisconsin
Nebraska	$ 47,800	2.1%	$ 1,020.00	**$ 48,820**	Nebraska
New York	$ 48,035	0.9%	$ 437.00	**$ 48,472**	New York
Georgia	$ 48,372	0.03%	$ 16.00	**$ 48,388**	Georgia
Pennsylvania	$ 47,524	1.3%	$ 624.00	**$ 48,148**	Pennsylvania
Iowa	$ 48,851	-1.6%	$ (776.00)	**$ 48,075**	Iowa
Michigan	$ 54,516	-11.9%	$ (6,473.00)	**$ 48,043**	Michigan
D.C.	$ 47,517	-0.1%	$ (44.00)	**$ 47,473**	D.C.
Arizona	$ 45,662	2.3%	$ 1,031.00	**$ 46,693**	Arizona
Wyoming	$ 45,725	1.9%	$ 888.00	**$ 46,613**	Wyoming
Oregon	$ 49,444	-6.3%	$ (3,095.00)	**$ 46,349**	Oregon
Idaho	$ 43,668	5.2%	$ 2,251.00	**$ 45,919**	Idaho
Ohio	$ 49,031	-6.6%	$ (3,255.00)	**$ 45,776**	Ohio
Maine	$ 45,318	0.4%	$ 185.00	**$ 45,503**	Maine
Florida	$ 44,415	1.4%	$ 623.00	**$ 45,038**	Florida
South Dakota	$ 43,020	4.6%	$ 1,976.00	**$ 44,996**	South Dakota
Indiana	$ 48,620	-8.2%	$ (4,002.00)	**$ 44,618**	Indiana
Missouri	$ 51,427	-13.5%	$ (6,940.00)	**$ 44,487**	Missouri
Kansas	$ 46,622	-4.6%	$ (2,144.00)	**$ 44,478**	Kansas
Texas	$ 45,999	-6.4%	$ (2,955.00)	**$ 43,044**	Texas
North Dakota	$ 40,825	3.6%	$ 1,486.00	**$ 42,311**	North Dakota
North Carolina	$ 44,961	-7.4%	$ (3,345.00)	**$ 41,616**	North Carolina
Tennessee	$ 42,047	-3.2%	$ (1,351.00)	**$ 40,696**	Tennessee
South Carolina	$ 44,044	-7.9%	$ (3,461.00)	**$ 40,583**	South Carolina
New Mexico	$ 40,243	-0.3%	$ (117.00)	**$ 40,126**	New Mexico
Montana	$ 37,958	4.9%	$ 1,863.00	**$ 39,821**	Montana
Oklahoma	$ 38,751	0.3%	$ 108.00	**$ 38,859**	Oklahoma
Kentucky	$ 41,633	-7.1%	$ (2,939.00)	**$ 38,694**	Kentucky
Alabama	$ 42,661	-10.6%	$ (4,501.00)	**$ 38,160**	Alabama
West Virginia	$ 34,935	8.9%	$ 3,094.00	**$ 38,029**	West Virginia
Louisiana	$ 37,731	-0.7%	$ (259.00)	**$ 37,472**	Louisiana
Arkansas	$ 35,335	6.0%	$ 2,123.00	**$ 37,458**	Arkansas
Mississippi	$ 39,720	-13.5%	$ (5,377.00)	**$ 34,343**	Mississippi

This approach yields a more pessimistic "trend" then we have described, reporting in current dollars, and using 1999-2006 as our bookmark dates.

But the JEC approach changes nothing in the relative MHI advantage of the high immigration states. From the JEC chart, we find:

- In '05/'06, 7 of the 10 highest median household income-states are HIJs.
- 12 of the 19 HIJs show *positive* median household income growth in a period when the JEC show a national MHI *decline* of 2.4%. The 12 gainers are AZ, CA, CT, FL, GA, HI, MA, NJ, NY, RI, WA, and VA.
- 16 of 19 HIJ's experienced either a net gain in Median Household Income, or a decline less than the national average.

Below is a population-weighted summary of the JEC chart:

Summary: JEC Median Household Income 1999-2000 and 2005-2006

	MHI 99-00	MHI 05-06	% Change
All States	$ 49,192	$ 48,023	-2.4%
19 High-imm jur.	$ 51,487	$ 51,330	-0.3%
32 "other" states	$ 47,395	$ 44,854	-5.4%
10 (>) states	$ 50,640	$ 50,421	-0.4%
10 (%) states	$ 50,115	$ 50,492	0.8%
10 (+) states	$ 55,570	$ 56,778	2.2%

The summary shows:

- A 5.1% spread between the HIJs (- 0.3%) and the 32 "other" states (- 5.4%);

- Positive MHI growth among the states with the highest resident percentage of immigrants, both in chained dollars (+ $377) and percentage change (+ 0.8%). These states contain 41% of the U.S. population.

- Positive MHI growth among the states with the most dramatic recent influx of resident immigrants, both in chained dollar amount (+ $1,208) and percentage change (+ 2.2%).

Even if one accepts the JEC's crafted thesis of Median Household Income decline during this decade, why would states with the highest percentage of resident immigrants, and the highest percentage-influx of recent immigrants, counter that trend? Why would the factor that market anomaly theorists associate with declining median incomes – contemporary immigration – correlate with an opposite effect in states where its impact is most directly experienced?

7) Median Per Capita Income

Description:

If the superior Median Household Income of the HIJs masks differences in household size, a truer picture should emerge when median income is measured on a per capita basis. To determine Median Per Capita Income (MPCI) in a jurisdiction, the U.S. Census Bureau sorts all residents 16-years-or-older-with-earnings, then defines the income point at which half earn more, and half less.

Market anomaly analysts might expect the median income growth of HIJs to shrink disproportionately on a *per capita basis*, compared to the *household basis*, due to a larger dependent population in immigrant households. Laissez passer advocates consider population an asset in a market system; they do not expect population growth to depress incomes in a free society.

Higher-than-average HIJ Median Per Capita Income *dollar levels*, *dollar growth*, and *percentage growth* would support the view that immigration continues to benefit the "common man" – at least at the median. Below-average HIJ performance in MPCI dollar levels, dollar growth, and percentage growth would imply a breakdown in immigration's traditional role in the American economy.

The charts below exhibit the per capita median point and its rate of change (1999-2006) among the 51 jurisdictions, grouped by immigration profile.

KEY to Table 7 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- In 2006, 9 HIJs were among the top 10 median per capita jurisdictions in the United States: DC ($36,215), MD ($35,593), NJ ($35,486), CT ($34,215), MA ($32,711), VA ($30,931), DE ($30,839), NY ($30,469), and NV ($30,228).

Table 7: Median Per Capita Incomes, 1999 & 2006

Based on U.S. Census Bureau: Census 2000 – PO85001; and American Community Survey 2006 – B20002_1_EST

Geography	1999: Population >=16 years with earnings	2006: Population >=16 years with earnings	% growth: 1999-2006	$ growth: 1999-2006	Geography
United States	$ 23,755	**$ 27,239**	14.67%	$ 3,484	United States
D.C.	$ 27,010	**$ 36,215**	34.08%	$ 9,205	D.C.
Maryland	$ 29,262	**$ 35,593**	21.64%	$ 6,331	Maryland
New Jersey	$ 30,439	**$ 35,468**	16.52%	$ 5,029	New Jersey
Connecticut	$ 30,409	**$ 34,215**	12.52%	$ 3,806	Connecticut
Massachusetts	$ 28,420	**$ 32,711**	15.10%	$ 4,291	Massachusetts
New Hampshire	$ 25,905	**$ 31,014**	19.72%	$ 5,109	New Hampshire
Virginia	$ 25,357	**$ 30,931**	21.98%	$ 5,574	Virginia
Delaware	$ 25,910	**$ 30,839**	19.02%	$ 4,929	Delaware
New York	$ 26,247	**$ 30,469**	16.09%	$ 4,222	New York
Nevada	$ 24,614	**$ 30,228**	22.81%	$ 5,614	Nevada
Hawaii	$ 24,736	**$ 30,218**	22.16%	$ 5,482	Hawaii
Minnesota	$ 25,505	**$ 30,174**	18.31%	$ 4,669	Minnesota
Alaska	$ 25,776	**$ 30,086**	16.72%	$ 4,310	Alaska
Washington	$ 25,498	**$ 29,807**	16.90%	$ 4,309	Washington
California	$ 25,026	**$ 29,584**	18.21%	$ 4,558	California
Colorado	$ 25,318	**$ 29,511**	16.56%	$ 4,193	Colorado
Illinois	$ 25,890	**$ 29,430**	13.67%	$ 3,540	Illinois
Rhode Island	$ 24,007	**$ 28,134**	17.19%	$ 4,127	Rhode Island
Arizona	$ 22,428	**$ 27,283**	21.65%	$ 4,855	Arizona
Pennsylvania	$ 23,714	**$ 27,151**	14.49%	$ 3,437	Pennsylvania
Wisconsin	$ 23,601	**$ 27,143**	15.01%	$ 3,542	Wisconsin
Georgia	$ 24,111	**$ 26,861**	11.41%	$ 2,750	Georgia
Michigan	$ 25,271	**$ 26,851**	6.25%	$ 1,580	Michigan
Florida	$ 22,050	**$ 26,498**	20.17%	$ 4,448	Florida
Ohio	$ 23,949	**$ 26,386**	10.18%	$ 2,437	Ohio
Indiana	$ 23,229	**$ 26,383**	13.58%	$ 3,154	Indiana
Vermont	$ 21,497	**$ 25,689**	19.50%	$ 4,192	Vermont
Kansas	$ 22,149	**$ 25,590**	15.54%	$ 3,441	Kansas
Oregon	$ 22,200	**$ 25,454**	14.66%	$ 3,254	Oregon
Missouri	$ 21,751	**$ 25,269**	16.17%	$ 3,518	Missouri
Wyoming	$ 19,763	**$ 25,247**	27.75%	$ 5,484	Wyoming
Maine	$ 21,285	**$ 25,227**	18.52%	$ 3,942	Maine
Iowa	$ 21,406	**$ 25,216**	17.80%	$ 3,810	Iowa
North Carolina	$ 22,276	**$ 25,197**	13.11%	$ 2,921	North Carolina
Nebraska	$ 21,195	**$ 25,067**	18.27%	$ 3,872	Nebraska
Tennessee	$ 21,700	**$ 25,028**	15.34%	$ 3,328	Tennessee
Texas	$ 22,142	**$ 25,013**	12.97%	$ 2,871	Texas
Kentucky	$ 20,951	**$ 24,713**	17.96%	$ 3,762	Kentucky
South Carolina	$ 21,571	**$ 24,459**	13.39%	$ 2,888	South Carolina
Alabama	$ 21,188	**$ 24,357**	14.96%	$ 3,169	Alabama
Utah	$ 20,583	**$ 23,593**	14.62%	$ 3,010	Utah
South Dakota	$ 19,276	**$ 23,580**	22.33%	$ 4,304	South Dakota
North Dakota	$ 18,550	**$ 23,530**	26.85%	$ 4,980	North Dakota
Idaho	$ 19,515	**$ 23,519**	20.52%	$ 4,004	Idaho
Louisiana	$ 20,522	**$ 23,218**	13.14%	$ 2,696	Louisiana
Oklahoma	$ 19,960	**$ 22,730**	13.88%	$ 2,770	Oklahoma
West Virginia	$ 19,159	**$ 22,608**	18.00%	$ 3,449	West Virginia
New Mexico	$ 19,427	**$ 22,254**	14.55%	$ 2,827	New Mexico
Arkansas	$ 19,590	**$ 22,183**	13.24%	$ 2,593	Arkansas
Mississippi	$ 19,715	**$ 22,180**	12.50%	$ 2,465	Mississippi
Montana	$ 17,232	**$ 21,388**	24.12%	$ 4,156	Montana

➢ The 10 top dollar-amount gainers in Median Per Capita Income, 1999-2006, included 7 high immigration states: DC ($9,205), MD ($6,331), NV ($5,614), VA ($5,574), HI ($5,482), NJ ($5,029), and DE ($4,929).

Summary: Median per capita income, 1999-2006

	1999	2006	$ change '99-'06	% change '99-'06
United States	$ 23,755	$ 27,239	$ 3,484	14.67%
19 high imm jur	$ 25,076	$ 29,213	$ 4,137	16.50%
32 "other" states	$ 22,554	$ 25,744	$ 3,190	14.14%
10 (>) states	$ 24,843	$ 28,870	$ 4,027	16.21%
10 (%) states	$ 24,754	$ 28,912	$ 4,158	16.80%
10 (+) states	$ 26,669	$ 31,106	$ 4,438	16.64%

➢ In 2006, 15 of 19 high immigration jurisdictions registered Median Per Capita Income above the national average, compared 4 of the 32 remaining states. Seventeen of 19 HIJ's had Median Per Capita Incomes higher than the population-weighted average of the 32 "other states".

➢ The 19 "high immigration" jurisdictions, weighted individually for population, had above-average MPCI in both 1999 and 2006. But over that span, the HIJs also experienced Median Per Capita Income *growth* greater than the national average – $4,137 compared to $3,484 nationally.

➢ In both 1999 and 2006, all three HIJ sub-groups had above-average MPCI dollar amounts. From 1999 to 2006, each sub-group experienced higher-than-average Median Per Capita Income *growth*, both in dollars and in rate.

➢ The greatest dollar growth in Median Per Capita Income ($4,438) occurred in the "recent influx" sub-group.

Discussion

From 2000 to 2006, household size in the United States increased from 2.59 to 2.61. This growth was concentrated in the HIJs, which (weighted) gained 0.04 persons per household (pphh) while the household size of the other 32 states (also weighted) declined 0.02 pphh.

Summary: Average Household Size, 1999-2006

	Av. HH size 2000	Av. HH size 2006	HH size change
United States	2.59	2.61	(+) 0.02
19 high imm jur	2.67	2.71	(+) 0.04
32 "other" states	2.51	2.49	(-) 0.02
10 (>) states	2.68	2.73	(+) 0.05
10 (%) states	2.69	2.74	(+) 0.05
10 (+) states	2.62	2.65	(+) 0.03

The table below lists changes in household size, 2000-2006, state-by-state:

State Household Size, 2000-2006

	pphh, 2000	pphh, 2006	hh size change
United States	**2.59**	**2.61**	**0.02**
Texas	2.74	2.83	0.09
Arizona	2.64	2.72	0.08
Alaska	2.74	2.81	0.07
California	2.87	2.93	0.06
Rhode Island	2.47	2.53	0.06
Delaware	2.54	2.59	0.05
Georgia	2.65	2.69	0.04
Louisiana	2.62	2.66	0.04
New Jersey	2.68	2.72	0.04
Connecticut	2.53	2.56	0.03
Florida	2.46	2.49	0.03
Massachusetts	2.51	2.54	0.03
New York	2.61	2.64	0.03
District of Columbia	2.16	2.18	0.02
Illinois	2.63	2.65	0.02
Montana	2.45	2.47	0.02
Maryland	2.61	2.62	0.01
New Mexico	2.63	2.64	0.01
Alabama	2.49	2.50	0.01
Kentucky	2.47	2.48	0.01
Nevada	2.62	2.63	0.01
Oklahoma	2.49	2.50	0.01
Virginia	2.54	2.55	0.01
New Hampshire	2.53	2.53	0.00
North Carolina	2.49	2.49	0.00
Tennessee	2.48	2.48	0.00
Washington	2.53	2.53	0.00
Colorado	2.53	2.52	-0.01
Indiana	2.53	2.52	-0.01
Mississippi	2.63	2.62	-0.01
Oregon	2.51	2.50	-0.01
Pennsylvania	2.48	2.47	-0.01
South Carolina	2.53	2.52	-0.01
West Virginia	2.40	2.39	-0.01
Arkansas	2.49	2.48	-0.01
Ohio	2.49	2.48	-0.01
Michigan	2.56	2.54	-0.02
Missouri	2.48	2.46	-0.02
Hawaii	2.92	2.88	-0.04
Nebraska	2.49	2.45	-0.04
Kansas	2.51	2.46	-0.05
Utah	3.13	3.08	-0.05
Maine	2.39	2.34	-0.05
Minnesota	2.52	2.46	-0.06
Vermont	2.44	2.38	-0.06
Wyoming	2.48	2.42	-0.06
Idaho	2.69	2.61	-0.08
Iowa	2.46	2.38	-0.08
Wisconsin	2.50	2.42	-0.08
South Dakota	2.50	2.41	-0.09
North Dakota	2.41	2.23	-0.18

From 2000-to-2006, the *national* growth rate of Median Household Income was more robust than the growth of Median Per Capita Income: 15.38% vs. 14.67%. But defying the expectations of "anomaly" theorists, *the 2000-2006 percentage increase in HIJ Median Per Capita Income (16.50%) slightly exceeds the percentage increase in HIJ Median Household Income (16.49%).*

More to the point: from 2000 to 2006, the HIJ percentage increase in per capita income (16.50%) exceeded the *national* and "*other state*" percentage increases in Median Household Income (15.38% and 12.36% respectively). The MPCI advantage for HIJs held true among all three HIJ sub-groups.

Particularly telling is the fact that median per capita income growth exceeded the national average even in states with the highest recent percentage-influx of immigrants. Market anomaly theorists must explain why an inundation of immigrants fails to produce even a relative reduction in Median Per Capita Income in states like New Jersey, which experienced an immigrant influx equal to 6.74% of its population from 2000 to 2007.

For the "anomaly" theorists, these are just more anomalies they must explain. Their precondition for a nested relative decrease in median per capita income exists: an influx of large-household immigrants. But the anticipated effect fails to appear in the high immigration states. Worse, it appears in the place opposite of their forecast: In the non-immigrant states, where household size declined.

These facts are consistent with the expectations of laissez passer advocates: that *in a free market, the income increment created by migrating workers – even low-skill workers – will spread across the entire income chain.* Where there is a market for it, labor is an asset, not a liability.

* * * * *

We must conclude that the classical descriptions of laissez passer advocates better describe state income data. Anomaly theorists cannot explain the observable advantages of high immigration jurisdictions in Personal Income, Disposable Income, or Median Income.

* * * * *

However, all income data has limits. Median per capita income includes only those residents *with earnings*. How does immigration affect residents *without* earnings?

8) Unemployment

Description:

Unemployment is the percentage of the workforce not employed, as sampled in the U.S. Census Bureau's monthly Current Population Surveys, then averaged for a given year.

It is axiomatic among immigration critics that a large, steady influx of low-wage workers will take the jobs of native workers. Defenders of immigration often counter that these immigrants will "do the jobs that Americans are unwilling to do." The critics claim that unemployment will rise. The "defenders" claim that unemployment will remain unchanged.

But advocates of laissez passer disagree with both. They assume that voluntary immigration is a response to market forces: a relative oversupply of labor in the country of origin, and a demand for labor, native or immigrant, in the destination country. They expect immigration to be symptomatic, if not causative, of a thriving market for labor.

And the facts bear them out.

KEY to Table 8 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- From 1999 to 2006, employment rose by 0.1% in the 19 HIJs (weighted for population), while declining 1.0% in the 32 "other states", and by 0.4% nationally.

- 15 of 19 HIJs experienced an employment trend better than the nation as a whole: either a smaller-than-average unemployment increase (MD, VA, DE, WA, TX, NJ & IL), or positive growth in employment rate (NV, CA, AZ, DC, UT, NY, FL & HI).

Table 8: State Unemployment, 1999 & 2006

From www.bls.gov/lau/lastch00.htm & www.bls.gov/lau/lastch06.htm

Geography	Unemployment rate, 1999	Unemployment rate, 2006	Change, 1999 2006	Geography
Hawaii	5.0%	2.4%	2.6%	Hawaii
Montana	5.3%	3.2%	2.1%	Montana
Wyoming	4.9%	3.2%	1.7%	Wyoming
Idaho	4.9%	3.4%	1.5%	Idaho
New Mexico	5.6%	4.2%	1.4%	New Mexico
West Virginia	6.3%	4.9%	1.4%	West Virginia
Alabama	4.3%	3.6%	0.7%	Alabama
Florida	4.0%	3.3%	0.7%	Florida
Louisiana	4.7%	4.0%	0.7%	Louisiana
New York	5.2%	4.5%	0.7%	New York
Utah	3.6%	2.9%	0.7%	Utah
District of Columbia	6.5%	6.0%	0.5%	District of Columbia
Arizona	4.5%	4.1%	0.4%	Arizona
California	5.3%	4.9%	0.4%	California
Oregon	5.5%	5.4%	0.1%	Oregon
Nevada	4.3%	4.2%	0.1%	Nevada
Illinois	4.5%	4.5%	0.0%	Illinois
North Dakota	3.2%	3.2%	0.0%	North Dakota
New Jersey	4.5%	4.6%	-0.1%	New Jersey
Nebraska	2.8%	3.0%	-0.2%	Nebraska
Texas	4.7%	4.9%	-0.2%	Texas
Washington	4.8%	5.0%	-0.2%	Washington
Delaware	3.3%	3.6%	-0.3%	Delaware
Virginia	2.7%	3.0%	-0.3%	Virginia
Maryland	3.6%	3.9%	-0.3%	Maryland
Pennsylvania	4.4%	4.7%	-0.3%	Pennsylvania
South Dakota	2.8%	3.2%	-0.4%	South Dakota
UNITED STATES	4.2%	4.6%	-0.4%	UNITED STATES
Oklahoma	3.6%	4.0%	-0.4%	Oklahoma
Alaska	6.2%	6.7%	-0.5%	Alaska
New Hampshire	2.8%	3.4%	-0.6%	New Hampshire
Vermont	2.9%	3.6%	-0.7%	Vermont
Maine	3.9%	4.6%	-0.7%	Maine
Georgia	3.8%	4.6%	-0.8%	Georgia
Rhode Island	4.2%	5.1%	-0.9%	Rhode Island
Arkansas	4.4%	5.3%	-0.9%	Arkansas
Kansas	3.5%	4.5%	-1.0%	Kansas
Tennessee	4.1%	5.2%	-1.1%	Tennessee
Iowa	2.6%	3.7%	-1.1%	Iowa
Kentucky	4.6%	5.7%	-1.1%	Kentucky
Minnesota	2.8%	4.0%	-1.2%	Minnesota
Ohio	4.3%	5.5%	-1.2%	Ohio
Colorado	3.0%	4.3%	-1.3%	Colorado
North Carolina	3.3%	4.8%	-1.5%	North Carolina
Mississippi	5.3%	6.8%	-1.5%	Mississippi
Connecticut	2.7%	4.3%	-1.6%	Connecticut
Wisconsin	3.1%	4.7%	-1.6%	Wisconsin
Massachusetts	3.3%	5.0%	-1.7%	Massachusetts
Missouri	3.1%	4.8%	-1.7%	Missouri
Indiana	2.9%	5.0%	-2.1%	Indiana
South Carolina	4.1%	6.5%	-2.4%	South Carolina
Michigan	3.8%	6.9%	-3.1%	Michigan

- In 2006, the 3 lowest unemployment states were HIJs – HI (2.4%), UT (2.9%), and VA 3.0%).

- The high-percentage sub-group showed the largest counter-trend *reduction* in unemployment (-0.3%).

Summary: Unemployment Rates 1999 & 2006

	1999	2006	Change '06 from '99
United States	4.2%	4.6%	(+) 0.4%
19 high imm jur	4.5%	4.4%	(-) 0.1%
32 "other" states	3.9%	4.9%	(+) 1,0%
10 (>) states	4.6%	4.5%	(-) 0.1%
10 (%) states	4.8%	4.5%	(-) 0.3%
10 (+) states	3.8%	4.2%	(+) 0.4%

- In 2006, all three HIJ sub-groups had unemployment rates below both the national average and the 32 "other-states" average.

Discussion

The period 1999 to 2006 did not represent a "trend" in U.S. employment. Unemployment, a modest 4.2% in 1999, declined to 4.0% in 2000. Under the triple influence of 9/11, the collapse of the NASDAQ, and the chilling effect of major corporate bankruptcies, unemployment rose. It reached 6.0% in 2003, then declined as the economy recovered. But 1999-2006, our period of study, coincides with a historically unprecedented influx of immigrants. The United States absorbed a net increase of roughly 1,000,000 immigrants per year.

Market anomaly theorists contend that this recent influx of immigrants is not a market response at all. Rather, it is an "invasion" that pressures existing labor markets, reducing employment opportunities for American-born laborers.

Advocates of laissez passer assume that the workforce, *both native and foreign*, shifts to states where the demand for labor is greatest. Migration trends are both indicative, and predictive, of comparatively low unemployment, at least until the marginal demand for labor has been met.

The employment data supports laissez passer as the more descriptive paradigm. Unemployment in the states relatively unaffected by immigration trended higher while unemployment dropped in the HIJs. Moreover, 14 of the 19 HIJs attracted native labor even as they attracted migrants. In many of the HIJs, notably AZ and NV, *immigrants were not the driving force behind increased population*:

State	Imm growth 00-06 as % of pop	Non-imm growth 00-06 as % of pop
AZ	3.2%	17.0%
CA	2.5%	5.1%
DE	4.6%	4.4%
GA	6.1%	8.2%
HI	1.8%	4.3%
NV	5.0%	19.9%
TX	3.6%	9.1%
UT	4.2%	10.0%
VA	4.0%	4.0%
WA	4.1%	4.4%

Anomaly theorists must explain why the labor markets *directly* affected by immigration – by high numbers, percentages, and influx – showed greater *overall* health than those which were not.

9) Household Poverty

Description:

The household poverty rate (HHPR) is the percentage of households in a geographic area whose earnings over the past 12 months fall below the federally defined poverty level. The federally definition is indexed annually.

Immigrant households qualify for poverty-based welfare programs at rates considerably higher than native-born households. What hasn't been demonstrated is whether immigration is associated with a *global* increase in welfare qualification. Market anomaly analysts assume that that it is; advocates of laissez passer, that it is not.

The tables below analyze state household poverty rates from 1999 and 2006 to ascertain how HIJs trended vis-à-vis other states. During this period, the percentage of households at or below federal poverty levels increased nationwide from 11.75% to 12.74%.

KEY to Table 9 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- In 2006, 7 of the nation's 10 lowest household poverty rates were in HIJs: MD (7.54%), CT (8.60%), NJ (8.69%), VA (9.69%), NV (9.69%), DE (10.12%), and HI (10.12%).

- In 2006, 15 of the 19 HIJs outperformed the nationwide average, compared to 13 of 32 "other states." The HIJ states with lower-than-average household poverty rates were MD, CT, NJ, VA, NV, DE, HI, UT, MA, RI, WA, IL, FL, AZ & CA.

Table 9: Household Poverty Rates, 1999 & 2006

From Census 2000 & American Community Survey 2006

Geography	Household Poverty % 1999	Household Poverty % 2006	Geography
Maryland	8.32%	**7.54%**	Maryland
New Hampshire	6.85%	**8.22%**	New Hampshire
Connecticut	7.95%	**8.60%**	Connecticut
New Jersey	8.29%	**8.69%**	New Jersey
Alaska	8.31%	**9.22%**	Alaska
Virginia	9.61%	**9.69%**	Virginia
Nevada	9.44%	**9.69%**	Nevada
Minnesota	7.91%	**9.72%**	Minnesota
Delaware	8.75%	**10.12%**	Delaware
Hawaii	10.46%	**10.12%**	Hawaii
Wyoming	11.24%	**10.13%**	Wyoming
Utah	8.87%	**10.21%**	Utah
Wisconsin	8.38%	**10.52%**	Wisconsin
Massachusetts	9.79%	**10.64%**	Massachusetts
Vermont	9.72%	**10.74%**	Vermont
Washington	9.82%	**11.16%**	Washington
Iowa	9.32%	**11.26%**	Iowa
Colorado	8.76%	**11.42%**	Colorado
California	11.82%	**11.47%**	California
Rhode Island	12.37%	**11.70%**	Rhode Island
Nebraska	9.68%	**11.74%**	Nebraska
Illinois	10.13%	**11.77%**	Illinois
Pennsylvania	10.99%	**12.00%**	Pennsylvania
Indiana	9.47%	**12.05%**	Indiana
Florida	11.73%	**12.16%**	Florida
Arizona	11.79%	**12.23%**	Arizona
Kansas	10.05%	**12.29%**	Kansas
Idaho	11.21%	**12.54%**	Idaho
UNITED STATES	11.75%	**12.74%**	**UNITED STATES**
Michigan	10.11%	**12.76%**	Michigan
Oregon	10.79%	**12.80%**	Oregon
Maine	11.50%	**12.92%**	Maine
Ohio	10.67%	**13.14%**	Ohio
North Dakota	12.54%	**13.18%**	North Dakota
Missouri	11.76%	**13.44%**	Missouri
Montana	14.06%	**13.60%**	Montana
New York	13.91%	**13.70%**	New York
South Dakota	12.51%	**13.87%**	South Dakota
Georgia	12.64%	**14.01%**	Georgia
North Carolina	12.35%	**14.34%**	North Carolina
South Carolina	14.11%	**15.43%**	South Carolina
Texas	13.98%	**15.46%**	Texas
Oklahoma	14.64%	**16.02%**	Oklahoma
Tennessee	13.95%	**16.08%**	Tennessee
D.C.	17.11%	**16.97%**	D.C.
Alabama	16.67%	**17.15%**	Alabama
West Virginia	17.99%	**17.19%**	West Virginia
Arkansas	15.77%	**17.22%**	Arkansas
New Mexico	16.78%	**17.26%**	New Mexico
Kentucky	16.23%	**17.37%**	Kentucky
Louisiana	19.13%	**18.43%**	Louisiana
Mississippi	19.73%	**20.77%**	Mississippi

➢ The percentage of households in poverty increased 0.49% in the HIJs, compared to a 1.63% increase in the 32 "other states."

➢ In 2006, all three HIJ sub-groups had household poverty rates lower than the national average.

➢ From 1999 to 2006, all three HIJ sub-groups had lower increases in HHPR than the national average.

Summary: Household Poverty Rates, 1999-2006

	% in pov 99	% in pov 06	Inc % in poverty
Totals: all states	11.75%	12.74%	(+) 0.99%
19 High-imm jur.	11.52%	12.01%	(+) 0.49%
32 "other" states	12.04%	13.66%	(+) 1.63%
10 (>) states	11.88%	12.39%	(+) 0.51%
10 (%) states	12.14%	12.45%	(+) 0.31%
10 (+) states	9.67%	10.28%	(+) 0.61%

➢ The smallest HHPR increase in among the studied groups occurred in the high-percentage sub-group: an increase of (+) 0.31% in household poverty, compared to (+) 0.99% nationally.

➢ The high-influx sub-group (+) both started and ended the period with lower-than-average rates of household poverty. Among these 10 states, the percentage increase in poverty-defined households, 1999-to-2006, was lower (0.61%) than the nationwide percentage increase (0.99%).

Discussion

Market economists do not assume that that an influx of labor will increase either unemployment or poverty. But welfare will. At some level, welfare payments discourage entry into the labor force. To date, there is no evidence that immigration generally promotes this. Instead, we find higher rates of employment and lower rates of household poverty in the HIJs, compared to other states.

* * * * *

But immigrant households are, on average, larger than native households. Perhaps we will find more HIJ poverty when we count heads.

10) Individual Poverty

Description:

The individual rate of poverty (IRP), as calculated by the U.S. Census Bureau, estimates the total number of persons, including householders, dependents, and unrelated housemates, whose annual income does not exceed federally defined poverty levels.

Most economists agree that high levels of public assistance potentially negate the benefits of laissez-passer. What is unclear is whether American welfare levels are high enough to have this effect. The charts below report correlations between immigration and individual rates of poverty in the states and the District of Columbia.

If contemporary immigration strains state welfare systems at current eligibility levels, a relative increase in the individual poverty rate of HIJs, vis-à-vis other states, should herald it.

KEY to Table 10 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in resident immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Findings:

- In 2006, high immigration jurisdictions accounted for 7 of the nation's 10 lowest individual poverty rates: MD (7.82%), CT (8.25%), NJ (8.69%), HI (9.28%), VA (9.57%), MA (9.95%) and NV (10.31%).

- 14 of the 19 HIJs outperformed the nationwide average (13.29%): MD, CT, NJ, HI, VA, MA NV, UT, DE, RI, WA, IL, FL and CA

Table 10: Individual Poverty Rates, 1999 & 2006

Based on Census 2000 & American Community Survey 2006

Geography	Individual Poverty %, 1999	Individual Poverty %, 2006	Geography
Maryland	8.49%	**7.82%**	Maryland
New Hampshire	6.55%	**8.02%**	New Hampshire
Connecticut	7.86%	**8.25%**	Connecticut
New Jersey	8.50%	**8.69%**	New Jersey
Hawaii	10.70%	**9.28%**	Hawaii
Wyoming	11.42%	**9.36%**	Wyoming
Virginia	9.59%	**9.57%**	Virginia
Minnesota	7.94%	**9.76%**	Minnesota
Massachusetts	9.34%	**9.95%**	Massachusetts
Nevada	10.48%	**10.31%**	Nevada
Vermont	9.44%	**10.32%**	Vermont
Utah	9.40%	**10.58%**	Utah
Alaska	9.40%	**10.88%**	Alaska
Wisconsin	8.66%	**10.96%**	Wisconsin
Iowa	9.13%	**10.98%**	Iowa
Delaware	9.21%	**11.10%**	Delaware
Rhode Island	11.94%	**11.12%**	Rhode Island
North Dakota	11.86%	**11.45%**	North Dakota
Nebraska	9.71%	**11.49%**	Nebraska
Washington	10.62%	**11.77%**	Washington
Colorado	9.26%	**11.95%**	Colorado
Pennsylvania	10.98%	**12.05%**	Pennsylvania
Illinois	10.68%	**12.30%**	Illinois
Kansas	9.90%	**12.35%**	Kansas
Idaho	11.77%	**12.59%**	Idaho
Florida	12.51%	**12.59%**	Florida
Indiana	9.49%	**12.70%**	Indiana
Maine	10.92%	**12.91%**	Maine
California	14.22%	**13.15%**	California
Oregon	11.61%	**13.25%**	Oregon
UNITED STATES	12.38%	**13.29%**	**UNITED STATES**
Ohio	10.60%	**13.32%**	Ohio
Michigan	10.53%	**13.52%**	Michigan
Missouri	11.74%	**13.56%**	Missouri
South Dakota	13.18%	**13.57%**	South Dakota
Montana	14.61%	**13.64%**	Montana
Arizona	13.91%	**14.17%**	Arizona
New York	14.59%	**14.18%**	New York
North Carolina	12.28%	**14.68%**	North Carolina
Georgia	12.99%	**14.68%**	Georgia
South Carolina	14.11%	**15.69%**	South Carolina
Tennessee	13.48%	**16.20%**	Tennessee
Alabama	16.10%	**16.56%**	Alabama
Texas	15.37%	**16.90%**	Texas
Kentucky	15.82%	**16.97%**	Kentucky
Oklahoma	14.72%	**16.97%**	Oklahoma
Arkansas	15.84%	**17.26%**	Arkansas
West Virginia	17.90%	**17.34%**	West Virginia
New Mexico	18.44%	**18.50%**	New Mexico
Louisiana	19.64%	**19.04%**	Louisiana
D.C.	20.22%	**19.61%**	D.C.
Mississippi	19.93%	**21.05%**	Mississippi

➢ From 1999 to 2006, the overall percentage individuals in poverty increased by 0.26% in HIJs, compared to a 1.81% increase in the 32 "other states," and a nationwide increase of 0.92%.

➢ Two of the 3 HIJ sub-groups had lower rate increases in individual poverty than the national average; the third – the high-percentage sub-group – saw an actual *decrease* (- 0.02%) in individual poverty. This sub-group, consisting of AZ, CA, DC, FL, HI, MA, NV, NJ, NY, and TX, contains 41% of the U.S. population.

Individual Poverty Rates, Federal Standard

from Census 2000 & American Community Survey 2006

	% in pov 99	% in pov 06	change 99-06
Totals: all states	12.38%	13.29%	(+) 0.92%
19 High-imm jur.	12.58%	12.84%	(+) 0.26%
32 "other" states	12.12%	13.92%	(+) 1.81%
10 (>) states	13.03%	13.29%	(+) 0.26%
10 (%) states	13.47%	13.44%	(-) 0.02%
10 (+) states	9.96%	10.55%	(+) 0.58%

➢ The states that experienced the greatest recent influx of immigrants (+) as a percentage of population both started and ended the period (1999-2006) with the lowest rate of individual poverty among the studied groups.

➢ In 1999, the 19 HIJs had a higher percentage of individuals in poverty than the national average. By 2006, that situation had reversed.

Discussion

In 2006, poverty rates in HIJs, both household and individual, were lower-than-average. The national averages were, respectively, 12.74% and 13.29%, compared to HIJ averages of 12.01% and 12.84%, and "other state" averages of 13.66% and 13.92% respectively.

In a period when poverty rates trended slightly higher nationally, the poverty in the HIJs increased more slowly. And in the 10 states with the highest resident immigrant percentages, individual poverty marginally *declined*.

The theory that contemporary immigration drives poverty, either in households or among individuals, is unconfirmed. In fact, immigration correlates with relative and absolute decreases in state poverty rates.

11) Crime Trends

Description

The Federal Bureau of Investigation reports rates of violent and total crime annually in its Unified Crime Reports. The rates are expressed as crimes-per-100,000-residents. This chapter examines correlations between immigration and crime rates on the state level, 1999-2006.

Not all critics of immigration associate it with higher levels of criminality. But some do, citing the incidence of crime increases in particular immigrant communities. The larger question is whether high levels of immigration *generally* correlate with elevated levels of crime. They do not.

Findings:

Total Crime Rates, 1999 & 2006

	Total Crime (per 100,000)		
	1999	**2006**	% change
Totals: all states	4273.8	**3808.1**	-10.9%
19 high-imm jur.	4406.9	**3807.1**	-13.6%
32 "other" states	4099.1	**3809.4**	-7.1%
10 (>) states	4347.9	**3748.1**	-13.8%
10 (%) states	4362.9	**3823.7**	-12.4%
10 (+) states	4311.6	**3672.6**	-14.8%

- In 2006, the total crime rate per 100,000 residents was marginally *lower* in HIJs than in the 32 other states: 3807.1 vs. 3809.4.

- In 1999, both violent crime and property crime were higher-than-average in the HIJs. In 2006, violent crime remained slightly higher (502.5 per 100,000 vs 473.5); while property crime had fallen somewhat lower (3304.6 per 100,000 vs. 3334.5).

- Crime, both violent and non-violent, is decreasing at a faster rate in the 19 HIJs than in the rest of the nation.

➢ From 1999 to 2006, violent crime decreased 15.0% in the HIJs, compared to a 1.2% decrease in the 32 "other states."

Summary: % Change in Crime Rates, 1999-2006

	Violent Crime	Non-violent crime	Total Crime
Totals: all states	-9.9%	-11.0%	-10.9%
19 high-imm jur.	-15.0%	-13.4%	-13.6%
32 "other" states	-1.2%	-7.8%	-7.1%
10 (>) states	-16.3%	-13.4%	-13.8%
10 (%) states	-14.4%	-12.0%	-12.4%
10 (+) states	-8.7%	-15.5%	-14.8%

➢ Crime in the high influx (+) sub-group – the states where the impact of immigration has been most dramatic in the past seven years – is both lower, and declining faster, than in nation at large.

The table on the next page, based on the Federal Bureau of Investigation's **Crime in the United States** (1999 and 2006 editions), records the violent, non-violent, and total crime rates for each state, 1999 & 2006, and the percentage-change in Total Crime/100,000 residents.

Discussion

Crime is not amenable to market analysis – but not because criminals do not respond to incentives. Describing *involuntary* exchange, most crime is uniquely inhospitable to market models. But crime rates are notoriously policy-sensitive. Modern criminologists measure disincentives in layers. Downward pressures on crime rates in a given category include: the percentage of criminals apprehended; the percentage of apprehensions that are charged; the percentage of charged cases that are successfully prosecuted; and the severity of the punishment meted out to convicted offenders.

More recently, criminologists have added conceal-carry gun laws to the corpus of measurable disincentives to crime.

Because crime rates vary with nuances of policy, it is hard to separate what, if any, global effects can be attributed to immigration. California and New York rank first and second in number of immigrants. But California's violent crime rate is above the national average, and New York's is below. New Jersey and Georgia rank first and second in recent immigrant influx as a percent of population – but Georgia's total crime rates exceeds the national average, while New Jersey's is well below. Immigrant rich Nevada has a severe and growing crime problem; crime rates have plummeted in immigrant-rich Virginia. In Texas, crime is declining at rates slower than the national average, but faster than the average of the 32 low-immigration states.

Given the sensitivity of crime rates to criminal justice policies unrelated to immigration, one cannot fairly claim the recent advantage of HIJs in "total crime" as a *result* of immigration. But crime rates have definitely declined more steeply in the HIJs than in the rest of the nation.

KEY to Table 11 (next page)

(>),(%),(+)	- among top ten in resident immigrant numbers, percentage, and recent growth
(>),(%)	- among top ten in resident immigrant numbers and percentage
(>),(+)	- among top ten in immigrant numbers and recent growth
(%),(+)	- among top ten in resident immigrant percentage and recent growth
(>)	- among top ten in resident immigrant numbers
(+)	- among top ten in resident immigrant recent growth
(%)	- among top ten in resident immigrant percentage

Crime in the States, 2006 & 1999-2006
% change in Total Crime, 1999-2006

	Violent '06	Non-Violent '06	Total crime '99	Total crime '06	Change '99-'06	
US RATES	473.5	3,334.5	4273.8	3,808.0	**-10.9%**	US RATES
South Dakota	171.4	1,619.6	2644.8	1,791.0	**-32.3%**	South Dakota
Montana	253.7	2,687.5	4069.9	2,941.2	**-27.7%**	Montana
Utah	224.4	3,516.4	4976.4	3,740.8	**-24.8%**	Utah
Florida	712.0	3,986.1	6205.6	4,698.1	**-24.3%**	Florida
New York	434.9	2,052.7	3279.3	2,487.6	**-24.1%**	New York
Dist of Columbia	1,508.4	4,653.8	8067.0	6,162.2	**-23.6%**	D.C.
New Mexico	643.2	3,937.2	5962.1	4,580.4	**-23.2%**	New Mexico
New Jersey	351.6	2,291.9	3400.1	2,643.5	**-22.3%**	New Jersey
Rhode Island	227.5	2,586.9	3582.0	2,814.4	**-21.4%**	Rhode Island
Oregon	280.3	3,672.1	5002.0	3,952.4	**-21.0%**	Oregon
Ilinois	541.6	3,019.6	4506.6	3,561.2	**-21.0%**	Illinois
Louisiana	697.8	3,993.7	5746.6	4,691.5	**-18.4%**	Louisiana
Virginia	282.2	2,478.2	3373.9	2,760.4	**-18.2%**	Virginia
Mississippi	298.6	3,208.8	4269.8	3,507.4	**-17.9%**	Mississippi
Connecticut	280.8	2,504.1	3389.3	2,784.9	**-17.8%**	Connecticut
Maryland	678.6	3,480.9	4919.2	4,159.5	**-15.4%**	Maryland
Idaho	247.2	2,418.8	3149.3	2,666.0	**-15.3%**	Idaho
Georgia	471.0	3,889.2	5148.6	4,360.2	**-15.3%**	Georgia
Delaware	681.6	3,417.9	4835.1	4,099.5	**-15.2%**	Delaware
Vermont	136.6	2,304.7	2817.3	2,441.3	**-13.3%**	Vermont
Arizona	501.4	4,627.9	5896.6	5,129.3	**-13.0%**	Arizona
Massachusetts	447.0	2,391.0	3262.5	2,838.0	**-13.0%**	Massachusetts
Michigan	562.4	3,212.8	4324.8	3,775.2	**-12.7%**	Michigan
Oklahoma	497.4	3,604.2	4683.9	4,101.6	**-12.4%**	Oklahoma
Nebraska	281.8	3,340.7	4108.3	3,622.5	**-11.8%**	Nebraska
New Hampshire	138.7	1,874.1	2281.9	2,012.8	**-11.8%**	New Hampshire
North Carolina	475.6	4,120.8	5175.4	4,596.4	**-11.2%**	North Carolina
North Dakota	127.9	2,000.3	2393.1	2,128.2	**-11.1%**	North Dakota
Texas	516.3	4,081.5	5031.8	4,597.8	**-8.6%**	Texas
Maine	115.5	2,518.4	2875.0	2,633.9	**-8.4%**	Maine
Washington	345.9	4,480.0	5255.6	4,825.9	**-8.2%**	Washington
Pennsylvania	439.4	2,443.5	3113.7	2,882.9	**-7.4%**	Pennsylvania
Wyoming	239.6	2,980.6	3454.8	3,220.2	**-6.8%**	Wyoming
Hawaii	281.2	4,230.4	4837.4	4,511.6	**-6.7%**	Hawaii
South Carolina	765.5	4,242.3	5324.4	5,007.8	**-5.9%**	South Carolina
Kansas	425.0	3,750.2	4438.7	4,175.2	**-5.9%**	Kansas
Wisconsin	284.0	2,817.8	3296.5	3,101.8	**-5.9%**	Wisconsin
Minnesota	312.0	3,079.5	3597.2	3,391.5	**-5.7%**	Minnesota
Colorado	391.6	3,451.3	4063.4	3,842.9	**-5.4%**	Colorado
Missouri	545.6	3,826.5	4578.7	4,372.1	**-4.5%**	Missouri
Iowa	283.5	2,802.7	3224.0	3,086.2	**-4.3%**	Iowa
California	532.5	3,170.9	3805.0	3,703.4	**-2.7%**	California
Kentucky	263.0	2,544.5	2878.1	2,807.5	**-2.5%**	Kentucky
Alaska	688.0	3,604.9	4363.2	4,292.9	**-1.6%**	Alaska
Alabama	425.2	3,936.1	4412.4	4,361.3	**-1.2%**	Alabama
Ohio	350.3	3,678.6	3996.5	4,028.9	**0.8%**	Ohio
Indiana	314.8	3,502.4	3765.9	3,817.2	**1.4%**	Indiana
Nevada	741.6	4,088.8	4653.7	4,830.4	**3.8%**	Nevada
Tennessee	760.2	4,128.3	4693.8	4,888.5	**4.1%**	Tennessee
West Virginia	279.7	2,621.5	2720.6	2,901.2	**6.6%**	West Virginia
Arkansas	551.6	3,967.5	4042.7	4,519.1	**11.8%**	Arkansas

Immigration and the Wealth of States

by Richard Nadler

Americas Majority Foundation

Cover art by Bob Parks

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