



ADVANCING THE PITTSBURGH REGION

A SNAPSHOT OF THE DEMOGRAPHIC AND ECONOMIC CONTRIBUTIONS OF IMMIGRANTS¹

SPENDING POWER AND TAX CONTRIBUTIONS IN ALLEGHENY COUNTY

In 2014, the total GDP for Allegheny County was \$89.6 billion; immigrants contributed \$6.8 billion to that GDP.²

\$89.6 billion
total GDP for Allegheny County

\$6.8 billion
immigrant contribution to GDP

Given their income, we estimate that the foreign-born population in Allegheny County contributed

\$217 million
in state and local taxes in 2014,

including property, income, sales, and excise taxes levied by either the State of Pennsylvania or by municipal governments.

The foreign-born population in the county wields considerable economic power. In 2014, immigrants held

\$1.8 billion in spending power,

6.3% of the county's total spending power, with Asian immigrants alone contributing \$912 million and Latino immigrants contributing \$108 million.³

Asian immigrants accounted for nearly half of that amount,

49.3%,

and Latino immigrants accounted for

6.4%.⁴

¹ Unless otherwise specified, data comes from one-year samples of the American Community Survey from 2000, 2009, and 2014, and figures refer to Allegheny County, Pennsylvania.

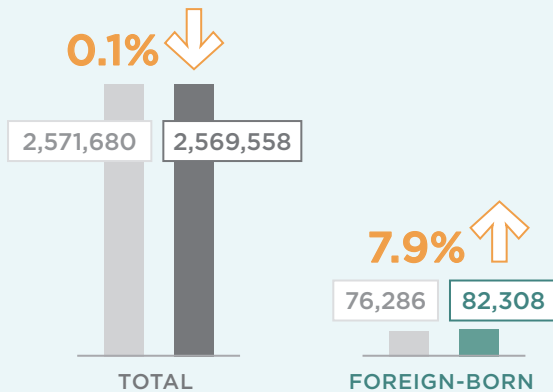
² These figures derive from our calculations based on immigrants' share of wage income and self-employment income in the one-year ACS sample from 2014 and the statistics of GDP by the National Association of Counties.

³ Based on tax rates from Institute on Taxation and Economic Policy (2015) "Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States."

⁴ Based on tax rates from Institute on Taxation and Economic Policy (2015) "Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States."

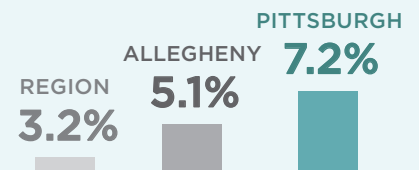
POPULATION ANALYSIS

The Pittsburgh region's population slightly declined by 0.1% between 2009 and 2014, decreasing from 2,571,680 to 2,569,558.⁵ **However, during this time the foreign-born population increased** by 7.9%, from 76,286 to 82,308, helping offset this decline.



Looking at the population data at the regional, county, and city levels shows that the closer you get to the metropolitan core of the region, Pittsburgh, the larger the foreign-born population is. Distribution of the foreign-born population in the metro area is as follows:

Allegheny County	62,881 (5.1%)
Armstrong County	349 (0.5%)
Beaver County	2,511 (1.5%)
Butler County	3,293 (1.8%)
Fayette County	588 (0.4%)
Greene County	432 (1.2%)
Indiana County	451 (0.5%)
Lawrence County	786 (0.9%)
Washington County	5,614 (2.7%)
Westmoreland County	5,403 (1.5%)



Had the foreign-born population **not grown during this period**, the decline in the region's population would have been greater, falling by

8,144 or **0.3%**

As a result of the increase in the immigrant population — and the increased economic opportunity and job creation associated with this rise — it is estimated that:

4,875
U.S.-born residents
were attracted to the area between 2000 and 2014.⁶

HOUSING WEALTH

Between 2000 and 2014, the growth in the foreign-born population **increased the total housing value in Allegheny county by more than \$1 billion**. Looking at the period after the Great Recession, between 2009 and 2014, the growth in the foreign-born population increased the total housing value in Allegheny County by \$367 million.⁷



\$1+ billion increase
in total housing value

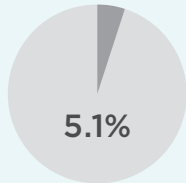
⁵ The Pittsburgh region includes the 10 counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland.

⁶ Vigdor, Jacob. "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy (2013). A national calculation developed by Jacob Vigdor estimates that for every 1,000 immigrants that move to a county, 270 U.S.-born residents move there in response within the next decade. With an increased immigrant population comes increased economic opportunity and job creation, as well as increased service and consumer-oriented businesses, all of which are attractive and draw new residents to the area.

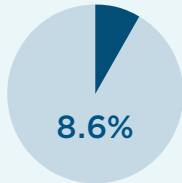
⁷ Vigdor, Jacob. "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy (2013).

ENTREPRENEURSHIP

In 2014, while immigrants were only 5.1% of the county's total population, they made up 8.6% of its self-employed population.



OF TOTAL POPULATION



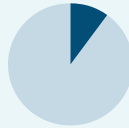
OF SELF-EMPLOYED POPULATION

In the county, 3,705 foreign-born people worked for their own businesses, generating

\$120 million
in business income.

Foreign-born residents are more likely to start new businesses than the U.S.-born in Allegheny County. In 2014, while only about 1 in 15 U.S.-born workers was self-employed,

1 in 10 foreign-born residents in Allegheny County was self-employed.



This is higher than the national average of about 1 in 13.

In 2014, self-employed immigrants in Pittsburgh generated

\$5 million
in business income.

In **Allegheny County** in 2012, businesses owned by Latino residents had

\$248 million
in sales, and

1,216 paid employees.

In the **City of Pittsburgh**, such businesses had

\$109 million
in sales, and

268 paid employees.

LABOR FORCE GROWTH

While just 5.1% of the population, Allegheny County's foreign-born residents accounted for **6.2% of its working-age population** and **6% of its employed labor force** in 2014.

5.1% of the overall population is foreign-born

6% of the employed labor force is foreign-born

Immigrants are overrepresented in several key industries in the county. This includes:

Education Services	9.3%
General Services ⁸	8.2%
Recreation and Accommodation	7.7%
Manufacturing	6.9%
Professional Services ⁹	6.6%
Finance and Real Estate	5.8%
Health Care and Social Assistance	5.8%

2,893 
manufacturing jobs

Because of the role immigrants play in the workforce helping companies keep jobs on U.S. soil, we estimate that **immigrants in Allegheny County helped create or preserve 2,893 local manufacturing jobs** that would have otherwise vanished or moved elsewhere.¹⁰

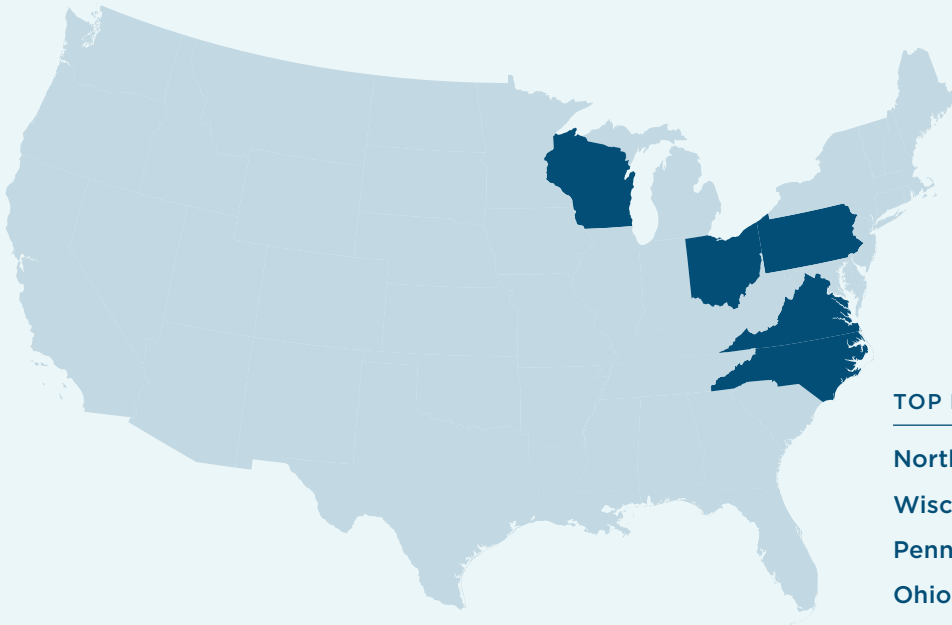
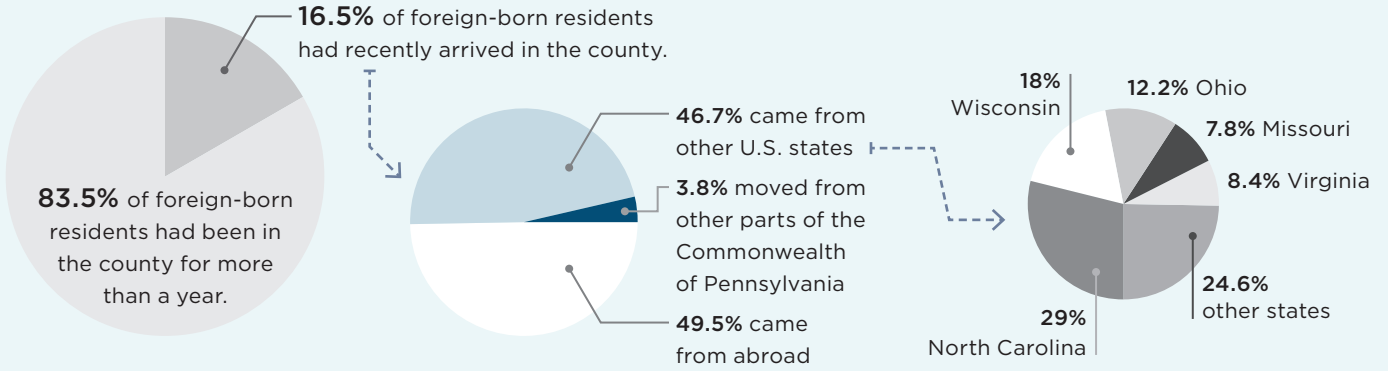
⁸ General services include personal services (e.g. laundry services, barber shops, and repair and maintenance), religious organizations, social services, and labor unions.

⁹ These industries include professions that require a degree or a license such as legal services, accounting, scientific research, consulting services, etc.

¹⁰ Vigdor, Jacob. "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy (2013).

MIGRATION

In 2014, a vast majority (83.5%) of the foreign-born had been in the county for more than a year.



TOP FIVE DOMESTIC SOURCES (2014)

North Carolina 1,538

Wisconsin 876

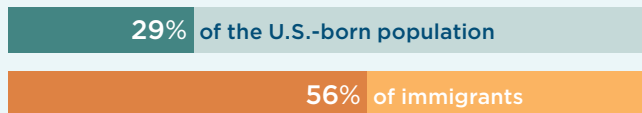
Pennsylvania, outside region 776

Ohio 591

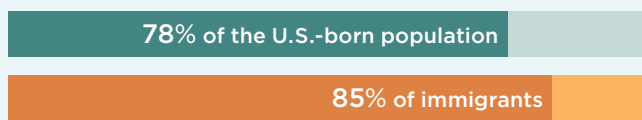
Virginia 405

EDUCATIONAL AND LONG-TERM ECONOMIC IMPACTS

In 2014, close to 56% of immigrants in Allegheny County held **at least a bachelor's degree** — nearly double the number of U.S.-born (29%) with the same degree.



More than 85% of immigrants held **at least a high-school diploma**, compared with 78% of the U.S.-born population.



If Allegheny County retains **one half of its international students with a bachelor's degree or higher** after graduation this year,

1,652 local jobs

will be created within six years.¹⁵

Such retention will also boost the metro area's

GDP per capita by \$385

within the next 30 years,¹⁶ and increase the population by 12,507 people within the next 50 years.¹⁷

In fall 2014, 45,704 students enrolled in colleges and universities in the **Commonwealth of Pennsylvania** held **temporary resident visas**.¹¹ These students supported

22,565 local jobs and contributed

1.6 billion in spending

to their local economies in that academic year.¹²

In the fall of 2014, the **City of Pittsburgh** hosted 8,857 students on **temporary resident visas**. These students supported

5,624 local jobs and contributed

\$338 million in spending

to the city's economy.



If the City of Pittsburgh could increase its population of international students by 10%, the **number of patents** granted to its universities would be expected to rise by about 5%.^{13,14}

From 2010 to 2013, **4,914 H-1B visas** were allocated to **Allegheny County**.

¹¹ Data on total student enrollment in the metro area is derived from the Integrated Postsecondary Education Data System maintained by the National Center for Education Statistics.

¹² Economic data is derived from The International Student Economic Value Tool maintained by NAFSA, the association of international educators.

¹³ To derive the patent counts, we used the data on patent assignees available from Patent Full-Text and Image Database maintained by the US Patent and Trademark Office.

¹⁴ Chellaraj, Gnanaraj, Keith E. Maskus, and Aaditya Mattoo. 2005. "The Contribution of Skilled Immigration and International Graduate Students to US Innovation." World Bank Policy Research Working Paper (3588).

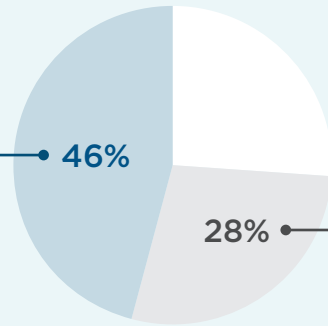
¹⁵ Curtis Simon, "Human Capital and Metropolitan Employment Growth," Journal of Urban Economics 43, (1998).

¹⁶ Rita Ray, "Effect of Education on Gross Domestic Product: A Case Study from US 'Mid-West'," International Review of Business Research Papers, Vol. 10-1. (March, 2014).

¹⁷ Edward L. Glaeser, Giacomo A. M. Ponzetto, and Kristina Tobio, "Cities, Skills and Regional Change," Regional Studies, Vol. 48-1, (January, 2014).

CITIZENSHIP & NATURALIZATION

About 46% of the county's immigrant population (28,936 foreign-born residents) **have become naturalized citizens.**



Of the 33,945 foreign-born people in the county who are not citizens, which includes international students, individuals on work visas, and other types of status, 17,865 foreign-born residents are **potentially eligible for citizenship.**

Numerous studies have documented that **naturalized citizens out-earn non-citizens**

by as much as 16%,

giving them more income to contribute to taxes and to spend in the local economy.¹⁸

And due to the increased ease with which they can apply for licenses and insurance, naturalized citizens are also

more likely to establish U.S.-based businesses, creating jobs that support the local economy in the process.¹⁹

¹⁸ Lynch, Robert and Oakford, Patrick. 2013. "The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants," Center for American Progress, March 20.

¹⁹ Pastor, M. and Scoggins, J. 2012. "Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy," Center for the Study of Immigrant Integration, University of Southern California

