



NEW AMERICANS IN THE FARGO-MOORHEAD AREA

A SNAPSHOT OF THE DEMOGRAPHIC AND ECONOMIC CONTRIBUTIONS OF IMMIGRANTS IN THE METROPOLITAN AREA¹

SPENDING POWER AND TAX CONTRIBUTIONS

In 2014, foreign-born residents in Fargo contributed

\$542.8 million
to the metro area's GDP.²

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

\$149.4 million
in spending power.³

Given their income, we estimate that in 2014, the foreign-born population contributed

\$13.8 million
in state and local taxes,

including property, income, sales, and excise taxes levied by either the states of North Dakota or Minnesota, or by municipal governments.⁴

The foreign-born also contributed

\$28.3 million
in federal taxes.⁵

Foreign-born households also support federal social programs. In 2014, foreign-born households in Fargo contributed:

\$23.5 million to Social Security

\$5.9 million to Medicare

¹ We use the Office of Management and Budget definition of the Fargo Metropolitan Statistical Area (MSA) which includes Cass County in North Dakota and Clay County in Minnesota. Unless otherwise specified, data comes from five-year samples of the American Community Survey from 2009 and 2014, as well as the five-percent sample from 2000 census, and figures refer to the Fargo metro area.

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 Bureau of Economic Analysis, U.S. Department of Commerce.

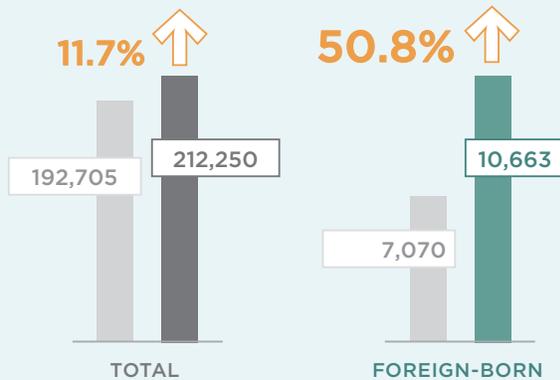
³ Estimates are based on federal tax rates from the U.S. Congressional Budget Office, and state and local tax rates from the Institute on Taxation and Economic Policy.

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

⁵ U.S. Congressional Budget Office. 2014. "The Distribution of Household Income and Federal Taxes, 2011."

POPULATION GROWTH

Between 2009 and 2014, the population in the Fargo metropolitan area grew 11.7%, from 192,705 to 212,250. **The foreign-born population increased by 50.8%**, from 7,070 to 10,663.



The **increase in the foreign-born population** accounted for

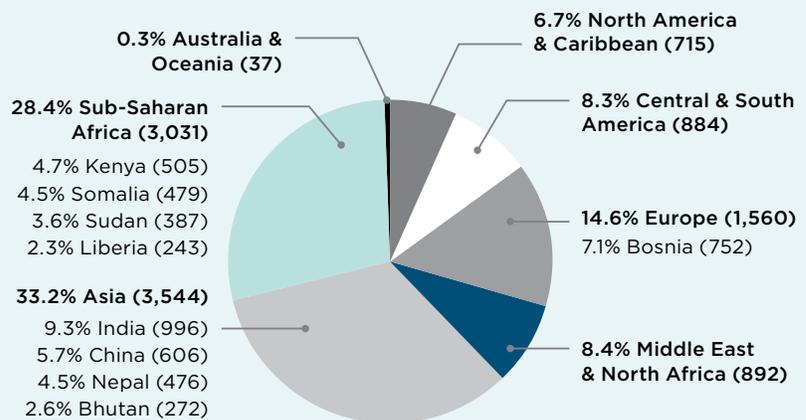
15.9% of overall growth during that period.

Between 2009 and 2014, the share of the total population that was foreign-born in the region **increased from 3.7% to 5.0%**.



REGIONS OF ORIGIN

The foreign-born population in Fargo is very diverse, with significant representation from Asia (33.2% of all of the foreign-born) and Sub-Saharan Africa (28.4% of all of the foreign-born). Immigrants from China, India, and Nepal represent the largest share of the foreign-born from Asia. Somalia, Kenya, Liberia, and Sudan represent the largest shares from Sub-Saharan Africa. Immigrants from Europe make up 14.6% of the total, followed by 8.4% from the Middle East and North Africa, and 8.3% from Central and South America. Immigrants from North America and the Caribbean account for 6.7% of all the foreign born.



EDUCATIONAL AND LONG-TERM ECONOMIC IMPACTS

BACHELOR'S DEGREES

23.6% of the U.S.-born population

27.6% of the foreign-born population

Foreign-born residents in Fargo tend to have higher levels of educational attainment. In 2014, 27.6% of immigrants in Fargo held **at least a bachelor's degree**, compared with 23.6% of the U.S.-born population.

ADVANCED DEGREES

5.8% of the U.S.-born population

11.3% of the foreign-born population

About 11.3% of the immigrants held **advanced degrees**, compared with 5.8% of the U.S.-born population.

In fall 2014, 1,597 students enrolled in colleges and universities in the metro area held temporary resident visas.⁶ These students supported

343 local jobs and contributed **\$36.5 million**

in spending in that academic year.⁷

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

373 local jobs

will be created within six years,⁸ boosting the metro area's real GDP by

\$84 million

in 2014 terms, within the next 30 years⁹ and increasing its population by 2,453 people within the next 50 years.¹⁰

LABOR FORCE GROWTH

Although the foreign-born made up 5% of the metro area's overall population, they made up **5.7% of its working-age population** in 2014, and 4.8% of the working population.

5% of the overall population is foreign-born

5.7% of the working-age population is foreign-born

Immigrants play an important role in several key industries in the metro area, including:

| | |
|---|------|
| Manufacturing | 8.1% |
| Education services | 7.9% |
| Recreation and accommodation | 7.7% |
| Professional services ¹¹ | 6.5% |
| Health care and social assistance | 5.3% |

⁶ 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.

⁷ Economic data is derived from the International Student Economic Value Tool maintained by NAFSA, the association of international educators.

⁸ Curtis Simon. 1998. "Human Capital and Metropolitan Employment Growth." *Journal of Urban Economics* 43.

⁹ Rita Ray. 2014. "Effect of Education on Gross Domestic Product: A Case Study from US 'Mid-West'." *International Review of Business Research Papers*, Vol. 10-1.

¹⁰ Edward L. Glaeser, Giacomo A. M. Ponzetto, and Kristina Tobio. 2014. "Cities, Skills and Regional Change." *Regional Studies*, Vol. 48-1.

¹¹ These industries generally include professions that require a degree or a license such as legal services, accounting, scientific research, consulting services, etc. **3**

LABOR FORCE GROWTH • CONTINUED

Because of the role immigrants play in the workforce helping companies keep jobs on U.S. soil, we estimate that, by 2014, the 10,663 immigrants and refugees living in Fargo **helped create or preserve 490 local manufacturing jobs** that would have otherwise vanished or moved elsewhere.¹²



490
manufacturing jobs

ENTREPRENEURSHIP

IN 2014, **immigrants and refugees** made up **1.7%** of Fargo's self-employed population, generating **2.1%** of the total self-employed income in the metro area.



OF SELF-EMPLOYED POPULATION



OF SELF-EMPLOYED BUSINESS INCOME

¹² Vigdor, Jacob. 2013. "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy.



New American Economy brings together more than 500 Republican, Democratic, and Independent mayors and business leaders who support sensible immigration reforms that will help create jobs for Americans today.

Visit www.renewoureconomy.org to learn more.