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NEW DATA SHOW IMMIGRATION ADDED \$3.7 TRILLION TO U.S. HOUSING WEALTH

Analysis of U.S. Census Data by Americas Society/Council of the Americas and the Partnership for a New American Economy Finds That Immigration Helped Stabilize Communities Where Home Prices Have Declined

[Americas Society/Council of the Americas \(AS/COA\)](#) and the [Partnership for a New American Economy](#) today released new data from the U.S. Census showing that the 40 million immigrants in the United States have collectively created \$3.7 trillion in U.S. housing wealth. The data was released in conjunction with an interactive map (available [here](#)) tracking the extent to which immigration has impacted the housing market in every zip code of the United States.

The map and data show that immigrants have stabilized communities facing declining or potentially declining home values, often attracting the native born to move into these areas. The data show that for every 1,000 immigrants settling in a county, 250 U.S.-born individuals follow, likely drawn by the increased economic opportunities created by immigrants.

The data was compiled by Professor Jacob Vigdor of Duke University as part of a larger report on community revitalization that AS/COA and Partnership for a New American Economy will release later this summer.

"At a crucial time for our economy and our housing market, immigration is helping support housing values, revitalize neighborhoods, and add trillions of dollars to U.S. housing wealth," said Partnership for a New American Economy Co-Chair and New York City Mayor Michael R. Bloomberg. "This is just another example of how immigration helps our economy and why we must reform our system so that immigrants can continue contributing to industries that are critical to America's future."

"We already know that immigrants help to start new businesses and create jobs, and with this research we are uncovering the many contributions of immigrants to the health of the housing market and especially to stabilizing less desirable communities," says AS/COA President and CEO Susan Segal. "It shows yet again why immigrants and immigration reform are so valuable both for our national economy and for local communities across the United States."

Report's Findings

Looking at U.S. Census data from 1970–2010, the report finds that immigrant workers have strengthened the housing market in three ways:

- **They directly drive housing demand through their own purchasing power.** The 40 million immigrants in the United States represent a powerful purchasing class—reflected by their demand for housing as well as for other locally-produced goods and services—that bolster the value of homes in communities across the country.
- **They indirectly generate demand by drawing U.S.-born individuals to opportunities in growing areas.** The study shows that for every 1,000 immigrants settling in a county, 250 U.S.-born individuals follow, drawn by increased economic opportunity.
- **They shift demand for housing within metro areas toward neighborhoods that had fallen out of favor.** The study finds that immigrants often contribute to the stabilization of less desirable neighborhoods, helping those neighborhoods become viable alternatives for middle- and working-class Americans. This opens up new opportunities for those without homes to consider purchases in areas once in decline—an important trend in expensive metro areas.

Immigrants' Effect On The Housing Market

The most pronounced impact of immigration on housing values was in thriving Sun Belt cities that remain affordable and in declining Rust Belt cities where immigration has acted as a barrier against even greater declines in home values. The research concludes that while immigration increases home values in many areas, it is not adding to the affordability crisis plaguing some of America's most expensive cities, or pricing people out of expensive, highly desirable communities.

Some of the signature storylines of immigration's effect on the housing market are as follows:

- **Collectively immigrants add \$3.7 trillion to U.S. housing wealth.** Each of the 40 million immigrants in the U.S. adds, on average, 11.5 cents to the value of the average home in their local county. Given that the typical immigrant lives in a county with 800,000 housing units, this adds \$3.7 trillion to U.S. housing wealth.
- **The county experiencing the largest impact of immigration on the housing market is also one of the nation's most affordable.** In Harris County, TX, which includes Houston and its closest suburbs, the direct and indirect effects of immigration over the last 10 years has contributed over \$25,000 to the value of a typical home. Harris is one of 12 counties nationwide where the impact of immigration on housing in the past

decade is above \$10,000. Most of these are Sun Belt counties that have attracted both immigrants and the U.S. born over the past decade.

- **Immigration has stanchd the decline of Rust Belt cities.** The number of U.S.-born Americans residing in Chicago and surrounding Cook County, IL, has declined by 900,000 since 1970. The arrival of nearly 600,000 immigrants over the same time period offset most of that decline—and most likely kept additional natives from leaving—blunting what could have been a catastrophic impact on the local housing market, along the lines of those seen in Detroit and other Rust Belt cities. Immigration has even helped to stabilize the neighboring region around Gary, IN, where 13,000 immigrants have settled since 1990, adding \$1,500 to the value of the average home.
- **Immigration has stabilized declining rural areas.** In rural North Carolina, Duplin County counted only 1 immigrant per 1,000 residents in 1970; after a population decline in the 1980s, 6,500 immigrants have settled in the county, helping to reverse the decline and boost property values by several hundred dollars. Today, Duplin mirrors the nation, with one resident in eight born abroad.
- **Immigrants revitalize less desirable neighborhoods in costly metropolitan areas, opening up new alternatives for middle- and working-class Americans to buy homes.** The nation's costliest metro areas tend to have a set of highly sought after—and expensive—neighborhoods at their core, surrounded by a less-desirable and often declining periphery. Immigration has had much stronger effects on the perimeter. Examples of this include San Francisco and the East Bay or the New York area where immigrants have reversed population declines and helped to stabilize the housing market in several corners of the periphery: the Bronx, Queens, and Newark NJ. Immigration's effects on the periphery are also seen in places like suburban Gwinnett County, GA, the most impacted segment of metropolitan Atlanta.
- **Immigrants tend to avoid places with the worst housing affordability problems, in many cases becoming part of the solution.** Among America's 10-most expensive counties, where the average home costs at least \$650,000, only one—Santa Clara, CA, home to Silicon Valley—has had an immigration impact above \$2,000 over the past decade. Even in Santa Clara, the impact is less than a third of what is observed in Harris County, TX since 2000. Immigrants contribute little to housing shortages—like other families, they avoid such areas when they can.

About the Partnership for a New American Economy

The Partnership for a New American Economy brings together more than 500 Republican, Democratic and Independent mayors and business leaders who support immigration reforms that will help create jobs for Americans today. The Partnership's members include mayors of more than 35 million people nationwide and business leaders of companies that generate more than \$1.5 trillion and employ more than 4 million

people across all sectors of the economy, from Agriculture to Aerospace, Hospitality to High Tech and Media to Manufacturing. Partnership members understand that immigration is essential to maintaining the productive, diverse and flexible workforce that America needs to ensure prosperity over the coming generations. Learn more at www.RenewOurEconomy.org.

About the Americas Society/Council of the Americas

Americas Society/Council of the Americas (AS/COA) unite opinion leaders to exchange ideas and create solutions to the challenges of the Americas today. Americas Society (AS), the recipient of a grant from the Rockefeller Brothers Fund to produce this research, was established by David Rockefeller in 1965 and is the premier forum dedicated to education, debate and dialogue in the Americas. Council of the Americas (COA), affiliate organization to AS, is the premier international business organization whose members share a common commitment to economic and social development, open markets, the rule of law, and democracy throughout the Western Hemisphere. Recognizing the link between U.S. immigration and overall hemispheric relations, AS/COA launched its Integration and Immigration Initiative in 2007 to draw on its public-private convening power in order to bring together key constituencies in new gateway cities and to produce research on the link between changing demographics and economic competitiveness. Visit us at www.as-coa.org.

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