

WHAT'S ON THE LINE:

THE COSTS OF DELAYING IMMIGRATION REFORM FOR OREGON'S ECONOMY AND SMALL BUSINESSES



Main Street Alliance of Oregon
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BACKGROUND: IMMIGRANTS IN OREGON'S ECONOMY

Immigrants in Oregon's Population and Workforce

Oregon's population in 2011 included more than 377,000 immigrants.¹ While immigrants made up 9.8 percent of the state's population, the estimated 242,000 immigrant workers in the labor force made up 12.4 percent of Oregon's workforce.²

Immigrant, Asian and Latino Business Ownership in the U.S. and Oregon

Nationwide in 2011, immigrants started 28 percent of all new businesses, compared to their 13 percent share of the U.S. population, according to the Partnership for a New American Economy. Based on this data, immigrants are more than twice as likely to start a business as U.S.-born citizens.³

Furthermore, small businesses owned by immigrants employed an estimated 4.7 million people nationwide in 2007 (the year of the latest Census Bureau Survey of Business Owners), with more than \$750 billion in annual revenue.⁴ Immigrant-owned businesses employ one out of every 10 workers in privately-owned companies.⁵

Asian-owned and Latino-owned businesses (including both immigrant and U.S.-born owners) play a significant role in Oregon's economy. Oregon was home to more than 12,000 Asian-owned businesses and 11,000 Latino-owned businesses in 2007 (the last year for which data is available). Oregon's Asian-owned businesses had sales and receipts of \$3.2 billion and employed more than 26,700 people in 2007; the state's Latino-owned businesses had sales and receipts of \$1.7 billion and employed more than 13,900 people in 2007.⁶

Immigrant, Latino and Asian Residents' Purchasing Power in the U.S. and Oregon

Nationally, immigrants earned \$1.1 trillion in 2010, according to the American Community Survey.⁷ The purchasing power of Latinos and Asians, many of whom are immigrants, will reach \$1.5 trillion and \$775 billion, respectively, for a combined \$2.25 trillion by 2015, according to the Immigration Policy Center.⁸

In Oregon, Latino and Asian residents represent growing purchasing power in the state's economy. The purchasing power of Latinos in Oregon in 2012 was \$8.4 billion. Asian residents' purchasing power in 2012 was \$6.1 billion.⁹ Combined, Latino and Asian buying power in Oregon topped \$14 billion in 2012.

ECONOMIC IMPACTS OF IMMIGRATION REFORM IN 2014: ECONOMIC ACTIVITY AND JOBS

The immigration reform package passed by the U.S. Senate on June 27 (S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act of 2013) included a range of provisions with likely impacts on economic activity and employment in the United States.

Regional Economic Models, Inc. (REMI) analyzed core components of the Senate package in July 2013, using its PI⁺ multiregional macroeconomic model (a structural economic forecasting and policy analysis model) to estimate the effects of immigration reform on economic activity, job creation, and other indicators for all 50 states and the District of Columbia. Components of the Senate package analyzed in REMI's PI⁺ simulations included reforms to high-skilled (H-1B) visas, reforms to lesser-skilled visa programs (H-2A and H-2B), the creation of a new worker visa program (W-1), and the bill's pathway to legal status and eventual earned citizenship for unauthorized immigrants.

REMI's simulations found positive net impacts on job creation and economic activity for every state and the country as a whole.

At the national level, the REMI analysis found immigration reform with these core provisions would generate \$38.6 billion in new economic activity and create 434,425 jobs across the U.S. in 2014.

For Oregon, the REMI simulation found immigration reform with these core components would generate \$389 million in economic activity and 4,628 jobs in Oregon in 2014.

Figure 1.

Economic Impacts of Immigration Reform in 2014: Jobs and Dollars in the Oregon and U.S. Economies		
	New Jobs	Increase in Economic Activity <i>(Gross State Product or Gross Domestic Product, real 2012 dollars)</i>
Oregon	4,628	\$389 million
United States	434,425	\$38.6 billion

Source: Regional Economic Models, Inc. data sets from July 2013 immigration reform report, <http://www.remi.com/immigration-report>

COSTS OF DELAYING IMMIGRATION REFORM FOR THE U.S. AND OREGON'S ECONOMY

These positive effects of immigration reform on overall economic activity and job creation in 2014 highlight the economic potential of immigration reform. They also point to the costs of delaying immigration reform for the U.S. and state economies.

Costs to the U.S. Economy

Based on the 2014 impact numbers at the national level, every month of delay costs the country \$3.2 billion in delayed or foregone economic activity and 36,200 jobs. Every day of delay costs the country \$106 million in economic activity and 1,190 jobs.

Costs to Oregon's Economy

For Oregon, based on the 2014 data, every month of delay costs Oregon \$32.4 million in economic activity and 386 jobs.

As immigration reform faces continuing delays, these costs grow. According to this analysis, delaying immigration reform and its economic impacts for three months costs Oregon \$97.3 million in economic activity and 1,157 jobs. Delaying immigration reform for six months will cost Oregon \$194.5 million in economic activity and 2,314 jobs.

Figure 2.

Costs of Delaying Immigration Reform for Oregon's Economy: Lost Jobs and Economic Activity		
	Jobs	Economic Activity <i>(Gross State Product, real 2012 dollars)</i>
Cost Per Month	386	\$32.4 million
Cost of 3 Month Delay	1,157	\$97.3 million
Cost of 6 Month Delay	2,314	\$194.5 million

Source: Authors' calculations based on data from Figure 1.

SMALL BUSINESS OWNERS' VIEWS ON IMMIGRATION REFORM

These economic figures on the costs of delaying immigration reform provide new context for results of a scientific national survey of small business owners conducted in the spring of 2013 that found broad bi-partisan support for immigration reform among small business owners across the country.

The Main Street Alliance and the American Sustainable Business Council commissioned a scientific live telephone survey of 515 small business owners nationwide in March 2013 to explore small business owners' views on immigration. Key findings from the survey for business owners from the Western region, which includes Oregon, are:

Three quarters of small business owners across the Western region support a roadmap to citizenship for immigrants already living in the U.S.: 78 percent of Western small business owners support a roadmap to citizenship for immigrants currently living and working in the U.S., while 18 percent oppose it. Nationwide, this support holds with large margins across party lines: Republican small business owners (62 percent support – 31 percent oppose), Democratic small business owners (82 percent – 13 percent), and Independent small business owners (65 percent – 29 percent) all support a roadmap to citizenship for current immigrants by margins of two to one or more.

Western small business owners favor a roadmap to citizenship for future immigrants over a temporary worker program with no roadmap to citizenship by a margin of more than three to one: 67 percent of Western small business owners think the immigration process for future immigrant workers should include a roadmap to citizenship, compared to 20 percent who think it should be a temporary guest worker program with no roadmap to citizenship.

Western small business support for immigration reform is animated by multi-faceted views about the role of immigrants in the economy: Three statements outlining potential rationales for the importance of immigration reform to small businesses were presented, and respondents were asked if they agreed or disagreed with each. Over two thirds of Western small business owners agreed with each statement:

- On a statement highlighting **the historical role of immigrant business owners and workers in building strong local economies**, Western small business owners agreed 85 percent – 9 percent.
- On a statement about **the potential of immigrant economic integration to strengthen the small business customer base**, Western small business owners agreed 83 percent – 15 percent.
- On a statement positing **the importance of keeping families together to ensure a productive workforce for small businesses**, Western small business owners agreed 71 percent – 24 percent.

Nationally, respondents in this scientific live phone survey were politically diverse, with a strong plurality of Republicans or Independents who lean Republican: 47 percent identified as Republican (36 percent) or Independent-leaning Republican (11 percent); 27 percent as Democratic (19 percent) or Independent-leaning Democratic (8 percent); and 26 percent as Independent (14 percent) or other (12 percent).

The full survey findings are available at: <http://bit.ly/smallbusinesspollimmigration>.

ENDNOTES

¹ U.S. Census Bureau, 2011 American Community Survey (1-Year Estimates).

² 2011 American Community Survey (1-Year Estimates); Immigration Policy Center, [*NEW AMERICANS IN OREGON: The Political and Economic Power of Immigrants, Latinos, and Asians in the Beaver State*](#) (Washington, DC: American Immigration Council, May 2013).

³ Partnership for a New American Economy, [*Open For Business: How Immigrants Are Driving Small Business Creation In The United States*](#) (August 2012).

⁴ David Dyssegaard Kallick, [*Immigrant Small Business Owners: A Significant and Growing Part of the Economy*](#) (New York, NY: Fiscal Policy Institute, June 2012).

⁵ Partnership for a New American Economy. http://www.renewoureconomy.org/?q=2012_08_14c.

⁶ U.S. Census Bureau, *Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status: 2007*, June, 2011; via Immigration Policy Center, [*NEW AMERICANS IN OREGON*](#).

⁷ U.S. Census Bureau, 2010 American Community Survey.

⁸ Immigration Policy Center, [*STRENGTH IN DIVERSITY: The Economic and Political Power of Immigrants, Latinos, and Asians in the U.S.*](#) (Washington, DC: American Immigration Council, June 2012).

⁹ Jeffrey M. Humphreys, *The Multicultural Economy 2012* (Athens, GA: Selig Center for Economic Growth, University of Georgia, 2012); via Immigration Policy Center, [*NEW AMERICANS IN OREGON*](#).