

Immigrants Help Chart Georgia's Course to Prosperity

By Wesley Tharpe, Senior Policy Analyst

Georgia transformed over the past few decades as immigrants¹ from around the world brought new workers, new entrepreneurs and new taxpayers. Nearly one in 10 Georgians today was born outside of the United States and one in five Georgians under the age of 18 has at least one immigrant parent.² This growing community of foreign-born Georgians provides a powerful boost to Georgia's economy and finances. Welcoming these newcomers with open arms, rather than alienating them through misguided hostile policies, is essential to ensuring Georgia remains an attractive state with a strong economy and high quality of life. This report describes three ways that immigrants help strengthen Georgia for the long haul.

- **Immigrant entrepreneurs enliven Georgia Main Streets.** Immigrants make a critical contribution to Georgia's communities and local economies through an outsized role as entrepreneurs. Foreign-born Georgians own an estimated **31 percent of Main Street businesses** in the state, despite comprising about 10 percent of the population. Main Street businesses are small enterprises like restaurants, grocery stores and clothing shops that provide everyday goods and services and help give communities their local character.³
- **Immigrant workers sustain a cross section of Georgia's economy.** Foreign-born talent is essential to the success of both white-collar and blue-collar industries in Georgia, including health care, technology, skilled trades, hospitality and agriculture. Workers born outside the United States account for an estimated **23 percent of Georgia's doctors, 26 percent of software developers, 28 percent of skilled construction tradesmen** such as carpenters and plumbers and **42 percent of farm laborers**. The state's economic development community views several of these professions as top workforce priorities.
- **Immigrant taxpayers contribute to Georgia's bottom line.** As immigrants start businesses, buy homes, earn wages and spend disposable income at local businesses, they generate considerable state and local tax revenue regardless of citizenship status. **Georgia immigrants as a whole contributed nearly \$1.8 billion in state and local taxes in 2012**, the most recent year available.⁴ Some of that revenue comes from undocumented people, contrary to popular belief. **Undocumented Georgians contributed an estimated \$352 million in state and local taxes in 2012**, according to the Institute on Taxation and Economic Policy.

These findings might not fit with some common misconceptions of the effect immigrants have on Georgia's economy, budget and local communities. But the evidence is clear: Immigrants are a powerful asset for Georgia and make a positive contribution to local communities and economies.

The rapid growth of Georgia’s immigrant population also brings some special challenges. Perhaps the most daunting one Georgia faces is that an estimated 41 percent of its immigrants, or about 393,000 people, lack full legal status to reside in the United States.⁵ Addressing unauthorized immigration will ultimately require federal action; however, state and local lawmakers can help to ensure that immigrant workers and families are treated fairly and have the opportunity to participate fully in Georgia’s economy. Although undocumented immigrants make up only 4 percent⁶ of the state population, it is important that all Georgians, immigrant and U.S.-born alike, have the opportunity to pursue a decent life and contribute to their communities.

Some other obstacles are that foreign-born residents, especially newer arrivals and people who lack legal status, tend to possess lower schooling levels and English proficiency. Immigrant entrepreneurs sometimes struggle to raise startup capital, which can force an overreliance on personal savings and undermine their ability to grow their business. These and other hurdles can keep immigrants stuck in low-paying jobs, lock immigrants into low-income neighborhoods and limit opportunities for them to reach their full economic potential.⁷

Acknowledging both the benefits and challenges of immigration and pursuing smart state and local policies can help maximize the positive contributions of Georgia immigrants, while mitigating any drawbacks. The primary goal of lawmakers should be to help ensure that immigrants, regardless of legal status, can learn, work, pay taxes and serve as contributing members of their communities. Specific opportunities include:

- **State lawmakers can remove barriers to opportunity.** Georgians of all backgrounds can benefit from helping immigrants work their way up the economic ladder. Georgia now pursues the opposite strategy. It creates steep obstacles to undocumented students who want to attend college, including people lawfully present under the federal Deferred Action for Childhood Arrivals program.⁸ And Georgia is one of only two states that blocks undocumented immigrants from adult education programs such as GEDs and English language training.⁹ State lawmakers can remove these and other impediments to success.
- **Local leaders can strengthen pathways for advancement.** A growing number of cities and towns across the country are taking steps to attract immigrants as part of their strategy for long-term economic success.¹⁰ Local governments can embrace the “welcoming” approach pioneered in Nashville, one of the country’s fastest-growing metro economies,¹¹ which seeks to make immigrants feel at home and better weave them into the local economy and community fabric.¹² Local governments can also target services to help maximize immigrants’ positive contributions. Worthwhile efforts include enhanced English language training; new local offices to help immigrants navigate questions like how to obtain a business permit; programs to pair immigrant entrepreneurs with startup capital and business planning services; and a commitment to promote cultural competence and minimize discrimination among local law enforcement.

ACKNOWLEDGEMENTS

Several national partners of the Georgia Budget and Policy Institute supported this project.

- The **Center on Budget and Policy Priorities** and **Fiscal Policy Institute** assisted with general technical assistance on core questions of how immigrants affect state and local budgets and economies.
- The **Economic Policy Institute** supplied data on immigrant workers including industry breakdowns.
- The **Institute on Taxation and Economic Policy** delivered information on immigrants’ tax contributions.

Snapshot of Georgia's Immigrant Community

Consider some key facts about Georgia's growing and increasingly diverse immigrant population.

About one in 10 Georgians is foreign-born, a more than three-fold increase since 1990. Georgia was home to nearly 1 million immigrants in 2013, as shown in the chart.¹³ Foreign-born Georgians comprised 9.7 percent of the state's population that year, up from 7.1 percent in 2000 and only 2.7 percent in 1990. Immigrants accounted for 23 percent of Georgia's population growth from 1990 to 2013.¹⁴

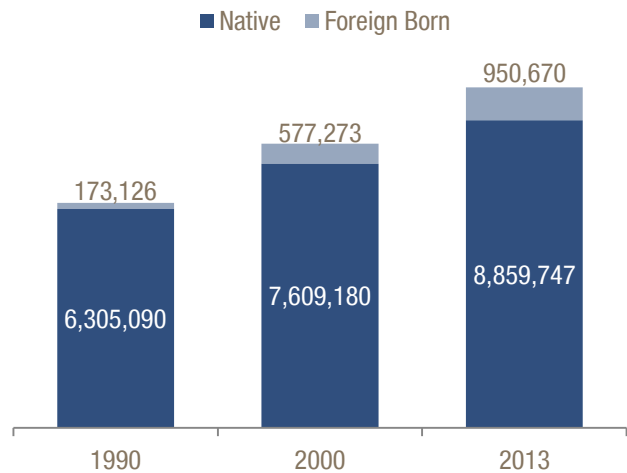
Immigrants arrive in Georgia from various parts of the world. About 44 percent of foreign-born Georgians trace their birth to Latin America, including nearly 29 percent of Mexican descent. But more than a quarter (27 percent) of foreign-born Georgians were born in Asia. The Caribbean, Europe and Africa also contribute a significant amount of newcomers, as illustrated in the chart below to the right.

More than one third of immigrants are U.S. citizens but many others are undocumented. Nearly 354,000 immigrants, or 37 percent of Georgia's total foreign-born population, are naturalized U.S. citizens. That compares to an estimated 393,000 immigrants,¹⁵ or 41 percent of the total, who lack legal status for U.S. residency. The remaining immigrants are either legal permanent residents¹⁶, such as refugees and certain applicants with close U.S. family ties, or people with temporary legal status including students.

Immigration is a statewide phenomenon. Metro Atlanta's five core counties of Clayton, Cobb, DeKalb, Fulton and Gwinnett are home to 62 percent of foreign-born Georgians. But immigrants also account for a growing share of residents in mid-size cities and rural communities statewide. Immigrants are 18 percent of the population in Dalton's Whitfield County, 15 percent in Gainesville's Hall County and 11 percent in Moultrie's Colquitt County. In 19 predominantly rural counties, immigrants accounted for *all* population growth from 1990 to 2013.¹⁷

Immigrants Comprise an Increasing Share of Georgians

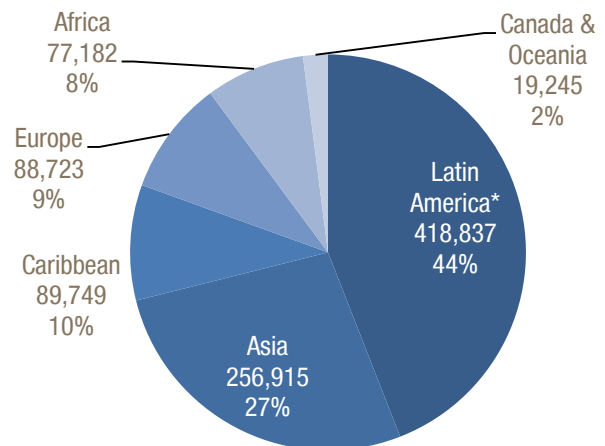
Total native and foreign-born residents, by year



Source: GBPI analysis of 1990 and 2000 decennial Censuses and 2013 ACS five-year estimates

Georgia Immigrants Come from Diverse Places

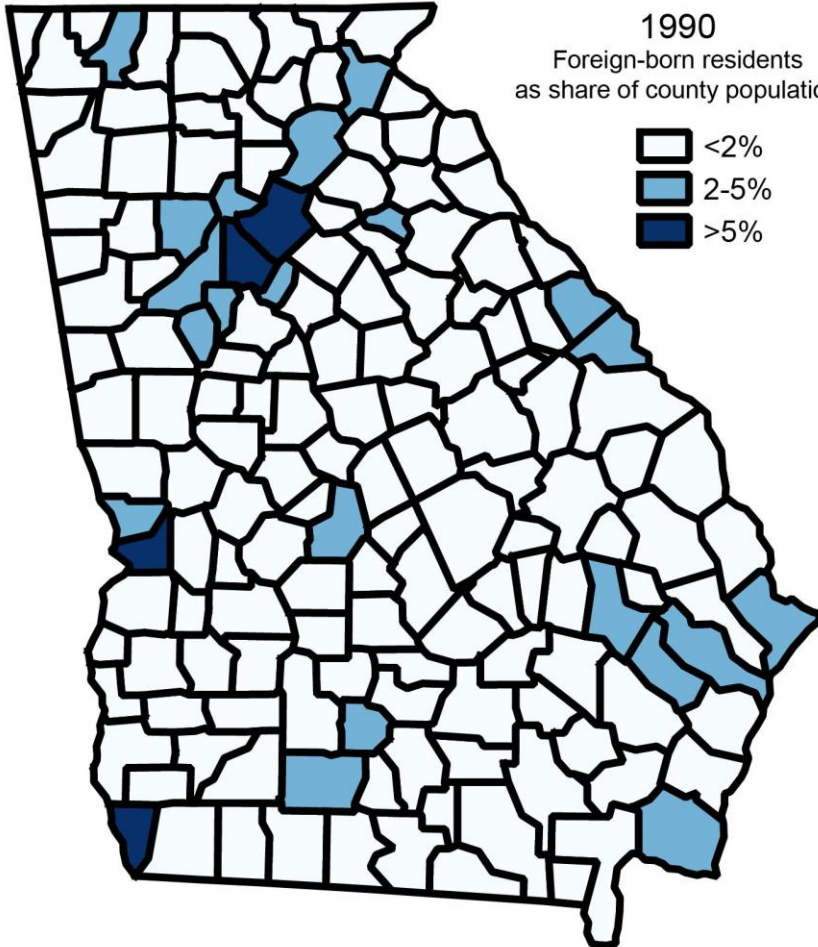
Number of foreign-born Georgians, 2013, by place of birth



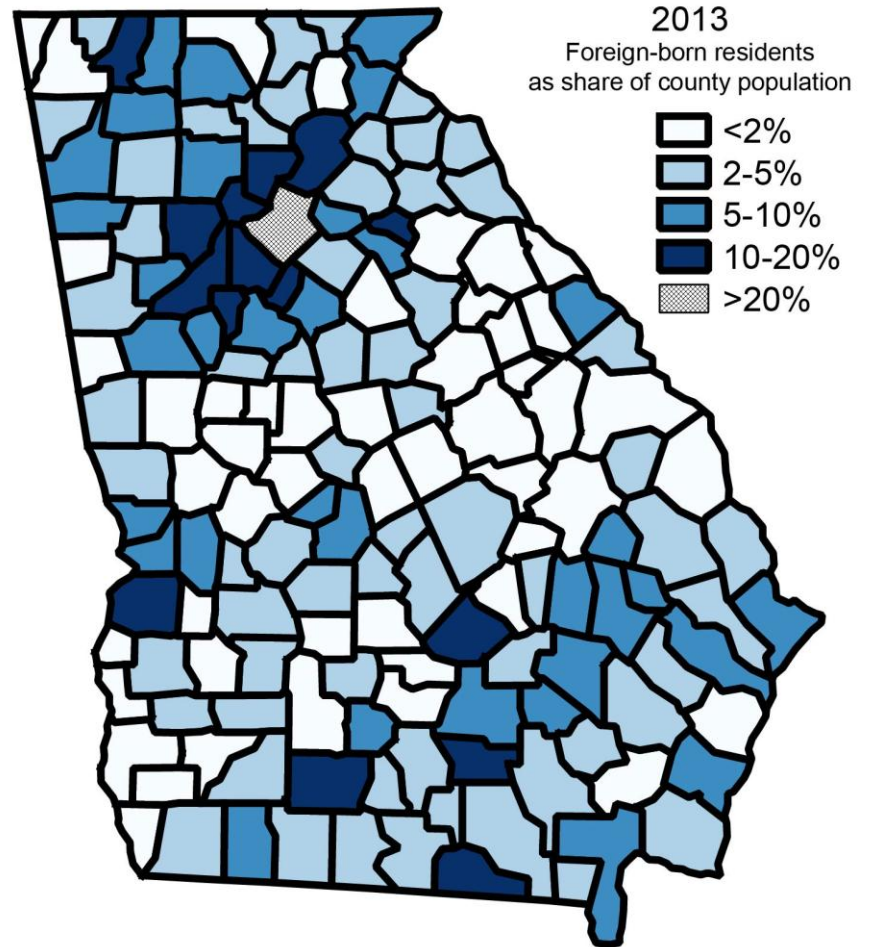
Source: GBPI analysis of 2013 American Community Survey five-year estimates. Note: Latin America includes Mexico, Central America and South America; the Caribbean is listed separately, whereas the Census includes it as part of Latin America.

Immigrants Putting Down Roots Across Georgia

Georgia grew increasingly into a destination for foreign-born immigrants over the past two decades. Immigrants represented less than 2 percent of the population in 135 of Georgia's 159 counties in 1990, and more than 5 percent of the population in only four counties. By 2013 only 49 counties had a foreign-born share below 2 percent. Now, 15 Georgia counties are home to immigrant populations that constitute at least 10 percent of the total, led by Gwinnett County where 25 percent of residents were born outside of the United States.



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Immigrant Entrepreneurs Enliven Georgia Main Streets

The most common image of immigrants for many Georgians is likely of a worker. Indeed, the contribution of foreign-born Georgians to the state's workforce is significant. But a less commonly known aspect of immigrants' contribution to Georgia communities is their considerable role as entrepreneurs and small business owners. The contribution of foreign-born Georgians is especially pronounced in Main Street businesses, a subset of small businesses that includes restaurants, grocery stores and neighborhood shops that provide everyday goods and services. These businesses line commercial streets statewide and help define communities' local character.

Immigrants own an estimated 31 percent of Georgia's Main Street businesses,

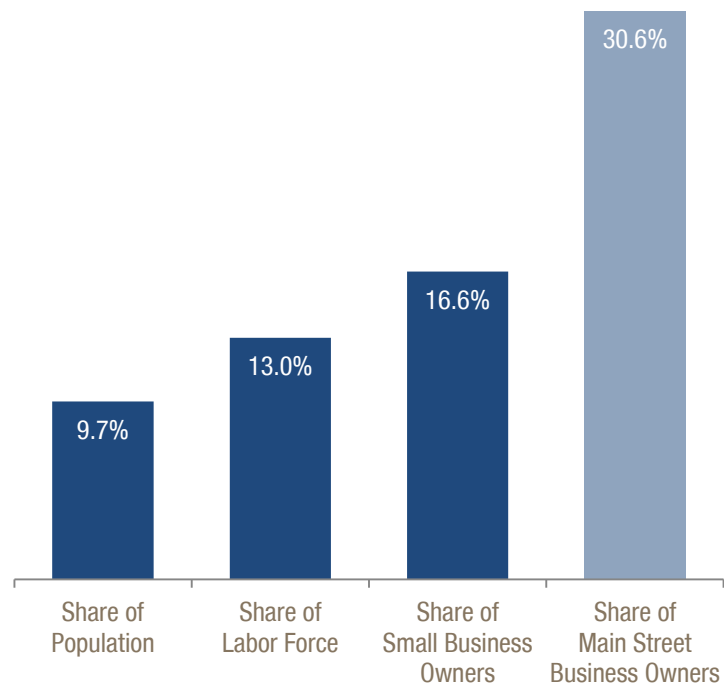
according to analysis of U.S. Census data by the New York-based Fiscal Policy Institute.¹⁸ That is well above Georgia immigrants' already sizable 17 percent of small businesses and 13 percent of the workforce, as illustrated in the chart.

Main Street businesses are defined as enterprises that fall in three broad categories: **Retail** (from gas stations to clothing shops), **Accommodation and Food Services** (restaurants and hotels) and **Neighborhood Services** (from barber shops to dry cleaners). These brick-and-mortar businesses provide a variety of goods and services that help local residents every day. Georgia immigrants owned an estimated 38 percent of accommodation and food service businesses, 29 percent of neighborhood service businesses and 28 percent of retail businesses in 2013.

Immigrants play a larger role in some Main Street businesses than others. Foreign-born entrepreneurs own an estimated 88 percent of Georgia's gas stations, 76 percent of its grocery stores, 66 percent of dry cleaners and 38 percent of restaurants. A detailed listing of differing business categories follows on the next page.

Immigrant Entrepreneurs Play Outsized Role on Georgia Main Streets

Georgia-specific data, 2013



Source: Fiscal Policy Institute analysis of 2013 ACS 5-year estimates

Georgia's Immigrant Entrepreneurs Own a Range of Main Street Businesses	
	Foreign-Born Share, 2013
Total (Main Street Business Owners)	31%
Accommodation and Food Services	38%
Restaurants and other food services	38%
Neighborhood services	29%
Drycleaning and laundry services	66%
Nail salons and other personal care services	54%
Car washes	15%
Beauty salons	15%
Retail	28%
Gasoline stations	88%
Grocery stores	76%
Health and personal care, except drug stores	41%
Clothing stores	31%
Radio, television, computer and electronics stores	13%
All other retail	11%
<i>Source: Fiscal Policy Institute analysis of 2013 American Community Survey, 5-year estimates. Some individual business categories (e.g. bars, RV parks, jewelry stores) have been excluded because the Georgia-specific data are too small to be considered statistically significant.</i>	

While state and local economic development efforts typically focus on landing larger-scale investments, Main Street businesses provide a reliable source of commercial activity. They are often the first business foray for entrepreneurs and in many cases introduce a new good or service to the community. Jobs at Main Street businesses offer stability and help build wealth for local residents, as they are difficult to automate and nearly impossible to outsource.

Main Street businesses are also important to the economic vitality of an area well beyond their direct sales and employment. They help make communities attractive places to live and work, give commercial corridors their character and help make areas safer and more enjoyable to visit. Such enterprises often open in formerly derelict buildings on main commercial strips, areas that communities struggle to keep vibrant in many Georgia towns. Enlivening these places can help urban, suburban and rural communities attract new residents and investment, which are critical concerns in an era when both people and capital are highly mobile.

Immigrant Workers Sustain a Cross Section of Georgia's Economy

Foreign-born Georgians complement their role as entrepreneurs by also making a sizable contribution to the state's workforce. Georgia workers born outside the United States made up an estimated 13 percent of the state's workforce in 2013. That's even more than their 10 percent share of the population, since immigrants are generally in prime working age, usually coming to the U.S. as young adults.¹⁹ There are relatively few immigrant children, since most of the children of immigrants were born in the U.S. and are citizens by birth.

Immigrants fill a broad range of professions in the state's economy, ranging from entry level jobs like construction labor and housekeeping to high-level occupations in business, technology, skilled trades and government. To be sure, immigrants are overrepresented in some fields, but foreign-born immigrants are broadly distributed across the workforce similarly to their U.S.-born counterparts. The table below illustrates this point.

Georgia Immigrants Work in Diverse Sectors						
Share of workers by nativity, by industry group, 2013						
	Blue-Collar Industries	White-Collar Services	Public and Social Services	Retail and Wholesale Trade	Food Service, Hospitality and Entertainment	Other
Foreign-Born	30%	20%	16%	13%	12%	9%
U.S.-born	22%	20%	28%	15%	9%	6%

Source: GBPI analysis of 2013 American Community Survey 5-year estimates. Notes: These categories are aggregated from the original industry groups provided by the Census. Blue-collar Industries include construction, manufacturing, transportation, warehousing and utilities. White-Collar Business Services includes professional and administrative business services, real estate, insurance and information services. Public and Social Services includes education, health care, social services and public administration. Other includes agriculture and "other services," a category inclusive of services like drycleaning and parking. The remaining two categories mirror the Census.

Beyond general contributions to the state's workforce, foreign-born workers stand out in two ways that carry special relevance to Georgia lawmakers.

- **Immigrants help fuel some of Georgia's high-priority job fields.** Foreign-born workers play a significant role in some professions considered high priorities by Gov. Nathan Deal and the state's economic development community. These include both white-collar jobs such as doctors and computer software developers and key blue-collar occupations like skilled tradesmen and truck drivers.
- **Immigrants are a pillar of Georgia's "essential economy."**²⁰ Industries that provide Georgians with the types of goods and services essential to everyday life, such as food, shelter and sanitation, rely heavily on foreign-born labor. Workers born outside the country comprise 50 percent of Georgia's construction laborers, 42 percent of farm workers, 35 percent of housekeepers and hotel workers and 20 percent of janitors.

Brief Notes on Methodology

Unless otherwise noted, all figures in this section come from an unpublished analysis of the U.S. Census Bureau's 2012 American Community Survey conducted by the Economic Policy Institute (EPI) in partnership with the New York-based Fiscal Policy Institute (FPI). In order to generate large enough sample sizes of Georgia's immigrant population, data are pooled over three years (2009-2011) or five years (2007-2011) for some statistics. The 2011 results are the most recent occupational data available at this level of detail.

Foreign-Born Talent Fuels Some of Georgia's High-Priority Fields

Foreign-born residents are overrepresented in some high-priority job categories including health care, science and technology and the skilled trades. These are among the sectors targeted by initiatives like the governor's High Demand Career Initiative and Go Build Georgia, which seek to align the state's economic development strategy with perceived gaps in Georgia's workforce.

Science and technology – Immigrants are crucial to Georgia's science and technology sector, accounting for an estimated **17 percent of engineers**²¹ and **26 percent of computer software developers** in the state. The governor's recent High Demand Career Initiative identified software developers as one of Georgia's most glaring workforce needs, after executives at The Home Depot and other large employers lamented a shortage of qualified workers in the state.²²

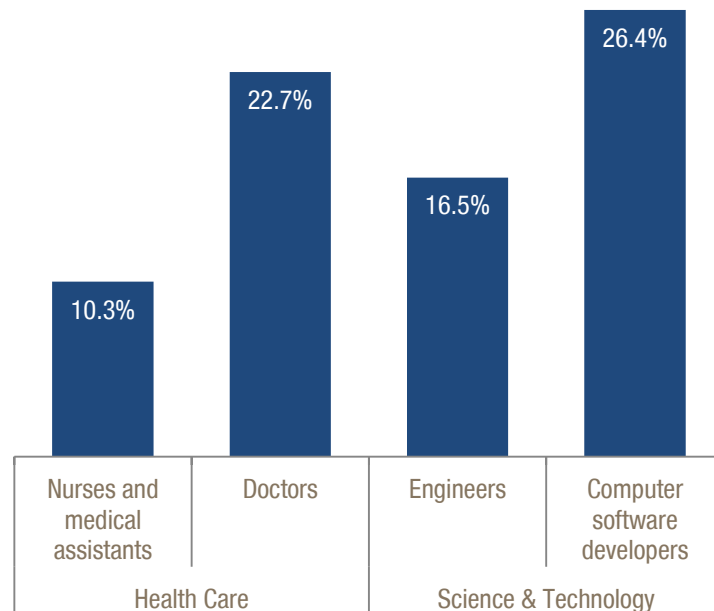
Attracting and retaining foreign-born talent in so-called STEM (science, technology, engineering and math) professions is likely to remain important in the future. Forty-six percent of students earning master's or doctorate degrees in STEM fields at Georgia universities in 2009 were non-resident aliens.²³ And nationwide, immigrants comprise an estimated 20 percent of the high-tech workforce and 17 percent of high-tech entrepreneurs.²⁴

Health care – Immigrants are also a major part of Georgia's health care workforce. About **10 percent of nurses and medical assistants**²⁵ and **23 percent of doctors**²⁶ in Georgia were born outside the United States.

Health care is one of Georgia's fastest-growing job fields²⁷ and it's likely to face a shortage of available workers sometime soon. Georgia could fall about 5,000 doctors short of the number it needs by 2030 according to one estimate.²⁸ And, at its current pace Georgia will fall nearly 38,000 nurses short by 2020, according to a 2009 study by Georgia's university system.²⁹

Foreign-Born Talent Vital for Health, Science and Tech Fields

Share of immigrants by major occupation group, Georgia, 2011



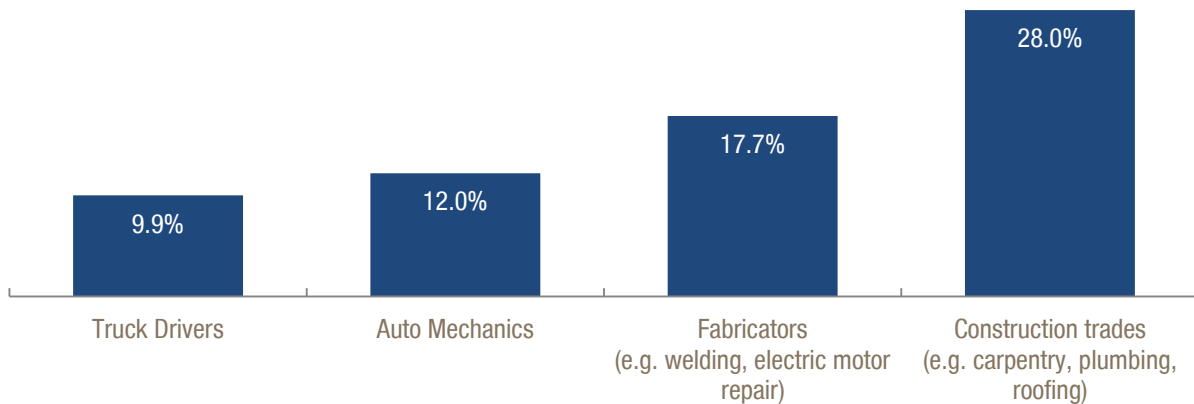
Source: Joint EPI-FPI analysis of 2012 American Community Survey

Skilled trades – Similar trends emerge for immigrants’ role in several tough-to-fill occupations considered skilled trades, such as carpenters, mechanics, welders and truck drivers. The governor’s office estimated in 2012 that Georgia would need about 12,800 truck drivers, 5,000 carpenters, 2,800 electricians and 2,000 welders by 2016.³⁰ Georgia’s unreliable pipeline of talent for mid- to high-skill blue collar jobs is the focus of the governor’s ongoing Go Build Georgia program, which seeks to educate young people on opportunities for fruitful careers in the skilled trades.

As sensible efforts like Go Build Georgia help address the state’s workforce needs in the long-run, many foreign-born Georgians are sustaining these key professions today. Immigrants account for an estimated 28 percent of construction tradesmen such as carpentry and roofing; 18 percent of fabricators, a category that includes welders and technicians who repair electric motors; and large percentages of truck drivers and auto mechanics.

Georgia Immigrants Play Key Roles in Skilled Trades

Foreign-born share by occupation, 2011



Source: Joint EPI-FPI analysis of 2012 American Community Survey

Foreign-Born Workers Support Georgia’s Essential Economy

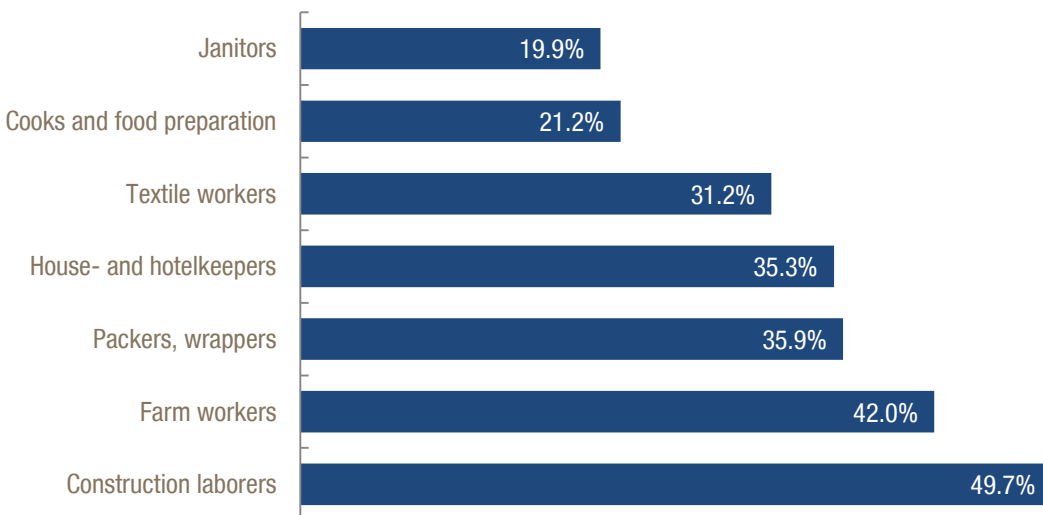
In addition to helping fill needs in higher-skill sectors, immigrants support lower-skill industries that make up what some Georgia observers call the “essential economy.”³¹ These fields include agriculture, food service, warehousing and hospitality that produce the kind of frontline goods and services essential to everyday life. Lower-skill workers in these industries tend to crop, cook food, pack boxes, clean hotel rooms and perform other duties that often go overlooked but that Georgia families and businesses rely on.

Jobs in the essential economy, many of which involve long hours and extensive manual labor, can provide an initial entry point to the labor market for many immigrants. That is especially true for those who lack basic English skills or professional credentials and face limited options for gaining an economic foothold.

This following chart illustrates the considerable contributions of Georgia immigrants to essential professions in the state. Workers born outside this country comprise 50 percent of Georgia's construction laborers, 42 percent of farm workers, 35 percent of house- and hotel-keepers and 20 percent of janitors, for example. For clarity, the construction laborers category includes workers doing basic physical tasks such as carrying supplies and digging trenches. That distinguishes them from previously described workers in construction trades such as carpenters.

Immigrants Fill Many Essential Frontline Tasks

Foreign-born share by occupation, 2011



Source: Joint EPI-FPI analysis of 2012 American Community Survey

Immigrants Don't Hurt U.S.-Born Workers

There's broad agreement among experts that immigration strengthens the overall U.S. economy in the long-run, as newcomers open new businesses, earn additional wages, innovate new products and spend money in local shops.³² However, some critics contend new economic opportunities for immigrants come at the expense of U.S.-born workers, at least in the short-run. Most mainstream research does *not* support that premise.

Instead, studies show increasing the amount of immigrant labor has close to zero, if not slightly positive, impact on the wages and employment of U.S.-born workers overall. The key to understanding why is that immigrants do not just expand the pool of available labor, *they expand the size of the economy as a whole*. As immigrants earn wages and business income, they pump those dollars back into local shops and restaurants. That in turn can spur more production and hiring. By one estimate, **immigrant workers and entrepreneurs in Georgia add nearly \$17 billion a year to Georgia's economy**. That represents about 11 percent of Georgia's total economic output.³³

Other evidence suggests that immigrant workers often complement U.S.-born workers rather than replace them. For example, recent research by the Urban Institute details how new immigrants tend to gravitate into jobs that rely more on manual labor than interpersonal communication, such as construction and cleaning services. Lower-skill U.S.-born workers, in contrast, often fill more front-facing jobs like cashiers and restaurant servers that require strong language abilities and cultural competence.

Immigrant Taxpayers Contribute to Georgia's Financial Bottom Line

The economic boost immigrants make to Georgia as workers and entrepreneurs is complemented by their financial contributions as taxpayers. As immigrants start businesses, buy homes, earn wages and spend disposable income at shops and restaurants, they generate considerable state and local tax revenue regardless of citizenship status.

Georgia immigrants as a whole contributed nearly \$1.8 billion in state and local taxes in 2012, the most recent year available, according to the nonpartisan Institute on Taxation and Economic Policy.³⁴ That total amount includes all Georgia residents born outside of the U.S., including those who lack legal status. Foreign-born Georgians in 2012 paid an estimated \$951 million in sales and excise taxes, \$445 million in personal income taxes and \$361 million in local property taxes.

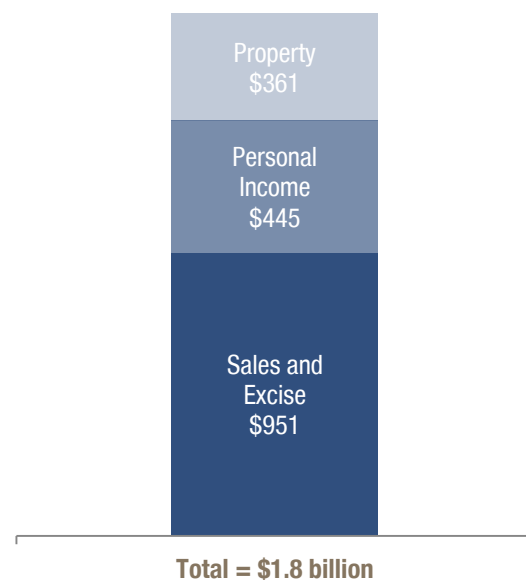
Both legal immigrants and undocumented people contribute to state and local treasuries. For households headed by naturalized immigrants, in other words U.S. citizens, tax contributions are likely quite similar to people born in the country. Naturalized immigrants in Georgia are somewhat more likely than native residents to own their home, so it follows they pay their fair share in property taxes.³⁵ They are also likelier to hold at least a bachelor's degree, which typically equates with earning higher wages and paying more in income taxes.³⁶ Georgians with bachelor's degrees pay an estimated \$2,268 more per year than high school graduates in state and local taxes.³⁷

Undocumented Georgians also contribute. Many people assume families without legal status do not pay taxes at all, but many state and local revenue sources are collected whether or not someone is a legal citizen. Everyone who buys goods and services in the state pays sales taxes. Anyone who drives pays motor fuel taxes. And all people entering state parks or other public properties pay special fees. Undocumented immigrants also pay property taxes, either directly on homes they own or indirectly as renters, since most landlords pass at least some of their tax bills onto tenants in the form of higher rents. Some undocumented immigrants pay state income taxes as well. Evidence indicates that at least 50 percent of undocumented households nationwide file income tax returns using Individual Tax Identification Numbers.³⁸ Many more do not file income tax returns at the close of the year but still have taxes withheld from paychecks.³⁹

As a result, **undocumented Georgians contributed an estimated \$352 million in state and local taxes in 2012**, the most recent year available.⁴⁰ At the same time, unauthorized immigrants are ineligible for many public benefits that citizens and other legal residents receive in exchange for their tax payments. Undocumented immigrants, for example, do not receive Social Security, SNAP (food stamps), TANF (cash welfare) or Medicaid.

Georgia Immigrants Pay Considerable Taxes

Estimated state and local taxes by foreign-born Georgians, 2012



Source: Institute on Taxation and Economic Policy

Legal Status, Educational Barriers and Access to Capital among Challenges

Along with the benefits of immigration come a few specific challenges that warrant special attention. State and local policymakers can approach each of these in a way designed to smooth the transition of foreign-born residents into Georgia's community fabric and help ensure immigrants maximize their positive contributions.

About four in ten foreign-born

Georgians are undocumented. A big challenge state and local policymakers face is that an estimated 393,000 foreign-born Georgians, 41 percent of the total, lack full legal status to be in the United States. Some of these immigrants are new arrivals to this country, though many have lived here for a long time. Four in five undocumented Georgians have lived in this country for at least five years, as shown in the chart on the right.⁴¹

Unauthorized immigration presents some challenges to local communities.

Undocumented drivers might lack car insurance and newly arriving students often require English language training.

Lack of legal status also makes it hard for affected immigrants to reach their full

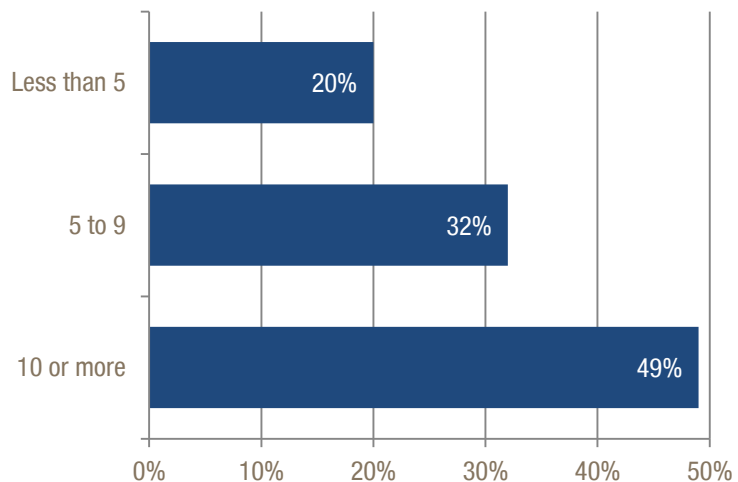
potential, since it creates powerful barriers to mainstream employment and entrepreneurship.

Fully incorporating these workers and families into Georgia communities is not something state and local officials can accomplish alone, since resolving the issue of legal status requires some form of comprehensive immigration reform at the federal level. Such a path would deliver Georgia some concrete benefits if the U.S. Congress can eventually create it. The state and local tax contribution of immigrants would grow by an estimated \$104 million if Congress passes comprehensive immigration reform with a full path to citizenship.⁴² Federal reform would also pave a clearer path to driver's licenses or other forms of official identification for undocumented immigrants. That would make it far easier for them to work, attend school or start a business.⁴³

Lower levels of education and English proficiency create obstacles to opportunity. Foreign-born Georgians, especially those without legal status, lag behind their U.S.-born counterparts on measures of formal education and English proficiency. Focusing on adults over 25 years old, about half of undocumented Georgians do not have a high school degree. That compares to only 13 percent of Georgians born in this country and 29 percent of immigrants overall.

Most Undocumented Georgians Have Lived in the U.S. for Several Years

Share of Georgia's unauthorized population, by years of U.S. residence



Source: Migration Policy Institute

Levels of Formal Education Differ Substantially			
Educational attainment by nativity and citizenship status, population 25 years and over, 2013			
EDUCATIONAL ATTAINMENT	U.S.-born	Foreign-Born	Undocumented
Less than high school	13%	29%	50%
High school or equivalent	30%	22%	26%
Some college or associate's	29%	19%	11%
Bachelors, graduate or professional	28%	30%	14%
<i>Sources: GBPI analysis of ACS five-year estimates and Migration Policy Institute</i>			

English proficiency is also disproportionately low among immigrants, especially undocumented people. Among foreign-born Georgians as a whole, 28 percent speak English either “not well” or “not at all,” compared to less than 1 percent of people born in this country.⁴⁴ The challenge is even starker for undocumented immigrants. An estimated 48 percent of undocumented Georgians speak English “not well” or “not at all.”⁴⁵

As a general rule, immigrants’ language skills improve the longer they live in the country since speaking at least some English is broadly required for navigating daily life. However, newly arrived immigrants and others who lack basic language skills face steep hurdles to integrating into the mainstream U.S. economy. Not speaking English can lock some immigrants into low-paying, manual labor jobs and can make it harder for foreign-born entrepreneurs to navigate the maze of local permits and financing tools required to start a small business.

Immigrant entrepreneurs often struggle to access business capital. Many immigrants find it hard to secure traditional types of financing such as bank loans or lines of credit to get their businesses off the ground. Just 18 percent of immigrant-owned retail businesses nationally received a bank loan in 2013, compared to 28 percent of their U.S.-born competitors.⁴⁶ Inability to secure capital may force immigrants to over-rely on limited personal savings. About 65 percent of Georgia’s immigrant-owned firms use personal savings to fund their business compared to 56 percent of all firms, according to a 2014 report by Georgia State University’s Center for State and Local Finance.⁴⁷ Using savings to start a business is not in itself a problem, but the inability to access other forms of capital can create an obstacle for immigrant entrepreneurs striving to reach their full potential.

“Limited access to business financing is frequently singled out as one of the main challenges of small business entry and prosperity among minority and immigrant entrepreneurs.”

*Dr. Cathy Yang Liu
Georgia State University
Center for State and Local Finance*

Recommendations: Welcome New Georgians and Enhance Opportunities

Reasonable people can agree some aspects of the immigration puzzle pose tough challenges that require thoughtful solutions. Some issues cannot be solved without federal action, especially questions of legal status such as how to treat unauthorized immigrants or people applying for temporary visas or refugee status. State leaders would be wise to pressure Georgia's federal delegation to support some form of comprehensive immigration reform, so that more immigrants can maximize their contributions as citizens.

Closer to home, the times call for practical solutions. Despite the sometimes vitriolic rhetoric, it is in Georgia's best economic interests for state and local leaders to help all immigrants reach their full potential as entrepreneurs, workers and taxpayers. For starters, state lawmakers could pursue policies that bolster all Georgia families, since immigrants and non-immigrants share many common challenges. Those solutions include things like making child care more affordable, expanding affordable housing options and investing in transportation so that workers can access better jobs. Immigrants also face some special challenges that require distinct solutions.

State lawmakers can remove barriers to opportunity. All Georgians would benefit from immigrants having more tools to aid their climb up the economic ladder. Georgia takes the opposite approach today.

- Georgia creates steep hurdles for undocumented students brought here when they were young who want to further their education. Undocumented Georgians, including those lawfully present in the country under the federal Deferred Action for Childhood Arrivals program⁴⁸, are blocked from attending the state's best universities. They must also pay out-of-state tuition at the remaining institutions they are allowed to attend. State policymakers can take a more sensible course by following the lead of states like Texas and Florida that have **tuition equity** laws which grant immigrants fair access to higher education.⁴⁹
- Georgia is one of only two states that block undocumented immigrants from **adult education** programs, such as basic literacy and English language training (ESL).⁵⁰ After state lawmakers passed that prohibition in 2010, adult ESL enrollment in Georgia dropped 60 percent.⁵¹ State lawmakers should remove this barrier and also explore other ways to help adult immigrants maximize their contribution to the workforce, such as aid to local programs that help immigrants with job skills like writing resumes and preparing for interviews.

Local communities can provide pathways for advancement. A growing number of communities nationwide understand that attracting immigrants is vital to their long-term economic success. Georgia can follow suit.

- After voters in Nashville resoundingly defeated an anti-immigrant ordinance in 2009, local leaders launched the "Welcoming Nashville" campaign to attract new immigrants and help integrate them into the local fabric.⁵² The **welcoming approach** that has since spread nationwide is marked by modest, cost-effective efforts like intercultural festivals and direct outreach to immigrant neighborhoods. Georgia locales can pursue similar strategies as a way to give their towns and counties a competitive advantage over more hostile destinations.
- Communities can also provide **targeted services** that maximize immigrants' contributions to local economies and treasuries. Worthwhile efforts include enhanced English language training for both K-12 students and adults; new local offices to help immigrants navigate questions like how to obtain a business permit; programs to pair immigrant entrepreneurs with startup capital, mentorship and business planning services; and a commitment to promote cultural competence and minimize discrimination among local law enforcement.

ENDNOTES

¹ This report, as is standard in policy and economic literature, uses the terms “immigrant” and “foreign-born” interchangeably. People living in the United States who were born in another country are counted as immigrants, whether or not they have become U.S. citizens and regardless of their legal status. People born in the United States, including people born in U.S. territories such as Puerto Rico and the Virgin Islands, as well as children born abroad of U.S. citizen parents are counted in this report as U.S.-born.

² Population and share of Georgia children in immigrant families can be accessed at “[Children in U.S. Immigrant Families](#),” Migration Policy Institute. Accessed 12/9/2015.

³ All data in this report on the share of Georgia Main Street business owners who are foreign-born were provided to GBPI by the Fiscal Policy Institute in New York. Unless otherwise noted, statistics reflect that organization’s analysis of the 2009-2013 five-year estimates from the U.S. Census Bureau’s American Community Survey. For more details on the broader concept of Main Street businesses, see “Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow,” Fiscal Policy Institute and At Americas Society/Council of the Americas joint-report. January 2015.

⁴ Foreign-born Georgians contributed an estimated \$1.76 billion in state and local taxes in 2012. Source of this estimate is a custom analysis by the Washington, D.C.-based Institute on Taxation and Economic Policy. Some underlying statistics for that analysis were provided by the Migration Policy Institute.

⁵ GBPI analysis of data from the Migration Policy Institute and 2013 American Community Survey five-year estimates.

⁶ Ibid.

⁷ GBPI analysis of 2013 American Community Survey five-year estimates

⁸ GBPI detailed the drawbacks to denying educational opportunities to qualified undocumented Georgians in the 2015 report “Georgia’s Workforce Development, Economy Damaged by Barriers to Higher Education for Undocumented Students.”

⁹ “Education Reform in a Changing Georgia,” Migration Policy Institute. March 2014. Page 13.

¹⁰ “Why American Cities are Fighting to Attract Immigrants,” The Atlantic. July 21, 2015.

¹¹ See “[The South’s Red Hot Town](#),” Time Magazine. March 7, 2014.

¹² For examples, see [Welcoming Atlanta](#), the Nashville [Mayor’s Office of New Americans](#) and the [Building Integrated Communities](#) project that helps local governments in North Carolina better work with immigrants.

¹³ Demographic data in this report utilizes five-year pooled data for 2009-2013 from the U.S. Census Bureau’s American Community Survey. The ACS’s 2014 data are available upon time of writing, however, this report chooses to use the 2013 data in order to better match the report’s fiscal and economic analysis, which rely on varying data from 2011 to 2013.

¹⁴ GBPI analysis of 1990 decennial census, 2000 decennial census and 2013 ACS five-year estimates.

¹⁵ Estimate of undocumented immigrants in Georgia generated by the Migration Policy Institute based on analysis of American Community Survey (ACS) 2009-2013 five year estimates and the 2008 Survey of Income and Program Participation (SIPP).

¹⁶ For more details on immigrants who qualify as legal permanent residents, see “U.S. Lawful Permanent Residents: 2013,” U.S. Department of Homeland Security.

¹⁷ GBPI analysis of 1990 Decennial Census and 2013 American Community Survey 5-year estimates. Those counties are: Baker, Clay, Dougherty, Early, Jefferson, Macon, Marion, Meriwether, Miller, Randolph, Stewart, Taliaferro, Terrell, Turner, Twiggs, Ware, Warren, Wilkes, Wilkinson.

¹⁸ See endnote #3.

¹⁹ In 2011, 85 percent of Georgia immigrants were between the ages of 18 and 64, the range economists consider people’s prime working years. An estimated 61 percent of U.S.-born Georgia residents fell within that same range.

²⁰ “[The Essential Economy: Report of Findings, State of Georgia](#),” February 2013.

²¹ “Engineers” category includes the following occupational categories from the Bureau of Labor Statistics: aerospace engineers; metallurgical and materials engineers; petroleum, mining and geological engineers; chemical engineers; civil engineers; electrical engineers; industrial engineers; mechanical engineers; not-elsewhere-classified engineers.

²² “A glimmer of opportunity in a challenging jobs report,” Atlanta Journal Constitution Dec. 10, 2014. Also see “Governor’s High Demand Career Initiative Report,” Dec. 2014.

²³ “Non-resident alien” refers to people who are neither citizens nor permanent U.S. residents, in this case mostly students on temporary visas. “Help Wanted: The Role of Foreign Workers in the Innovation Economy,” Joint report from the Information Technology Industry Council, Partnership for a New American Economy and U.S. Chamber of Commerce. Nov. 2014.

²⁴ “Lessons For U.S. Metro Areas: Characteristics and Clustering of High-Tech Immigrant Entrepreneurs,” Kauffman Foundation. March 2014.

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- ²⁵ “Nurses and medical assistants” includes the following BLS occupational categories: registered nurses; licensed practical nurses; nursing aides, orderlies and attendants; physicians’ assistants; dental assistants; health aides except nursing.
- ²⁶ “Doctors” includes these BLS occupational categories: physicians (includes surgeons); dentists; optometrists; podiatrists.
- ²⁷ “2014-2016 Short-term Employment Projections,” Georgia Department of Labor. Accessed 11/17/15.
- ²⁸ “New health care providers emerge,” Atlanta Journal Constitution. Oct. 7, 2012.
- ²⁹ “Nursing shortage: A need for faculty, advanced degrees, statistics,” Georgia Health News. May 5, 2011.
- ³⁰ “Go Build Georgia initiative addresses shortage of skilled workers,” Atlanta Journal Constitution. Feb. 23, 2012.
- ³¹ “The Essential Economy: Report of Findings, State of Georgia,” February 2013.
- ³² See “Five Things Economists Know About Immigration,” Washington Post; “What Immigration Means for U.S. Employment and Wages,” Brookings Institute; and “Facts About Immigration and the U.S. Economy,” Economic Policy Institute.
- ³³ Georgia immigrants accounted for an estimated \$15.9 billion in economic output, meaning combined wages and business income, in 2011. That amounts to \$16.8 billion in inflation-adjusted 2015 dollars. Estimate provided as part of the previously described collaboration of the Economic Policy Institute and Fiscal Policy Institute.
- ³⁴ Foreign-born Georgians contributed an estimated \$1.76 billion in state and local taxes in 2012. Source of this estimate is a custom analysis by the Washington, D.C.-based Institute on Taxation and Economic Policy. Some underlying statistics for that analysis were provided by the Migration Policy Institute.
- ³⁵ 74.4 percent of naturalized Georgians lived in owner-occupied homes in 2013, compared to 66.3 percent of U.S.-born Georgians. GBPI analysis of 2013 American Community Survey five-year estimates.
- ³⁶ In 2013, 23.4 percent of naturalized Georgians had bachelor’s degrees compared to 17.8 percent of native-born Georgians. Another 16.1 percent had at least a master’s degree, versus 10 percent for those born in the U.S.
- ³⁷ Estimate assumes that high school graduates earn \$25,926 on average and pay 10.2 percent of their income in state and local taxes each year, while bachelor’s degree holders earn \$53,400 per year and pay 9.2 percent of income in state and local taxes. See “Who Pays: A Distributional Analysis of the Tax Systems in All 50 States” Fifth Edition, Institute of Taxation and Economic Policy, January 2015 and US Census Bureau American Community Survey, 2013 one-year estimates.
- ³⁸ “Undocumented Immigrants State and Local Tax Contributions,” Institute on Taxation and Economic Policy. April 2015.
- ³⁹ The Social Security Administration estimates that 75 percent of unauthorized immigrants are actually on formal payrolls, either using fraudulent Social Security numbers or Social Security numbers of the deceased.
- ⁴⁰ Sales and excise taxes account for \$216 million. Another \$74 million of their contribution came from property taxes, which flow mostly into local treasuries. The remaining \$62 million of tax payments from undocumented immigrants was from the personal income tax.
- ⁴¹ The remaining 20 percent have resided in the U.S. for less than five years. Numbers sum to 101 percent due to rounding. Migration Policy Institute analysis of 2013 American Community Survey five-year estimates.
- ⁴² “Undocumented Immigrants State and Local Tax Contributions,” Institute on Taxation and Economic Policy. April 2015.
- ⁴³ For more information see “Deciding Who Drives,” Pew Charitable Trusts. August 2015.
- ⁴⁴ GBPI analysis of 2013 American Community Survey five-year estimates. An estimated 20 percent of foreign-born Georgians speak English “not well” and 8 percent speak it “not at all.” An estimated 0.3 percent of U.S.-born Georgians fall into those two categories combined.
- ⁴⁵ For undocumented immigrants in Georgia, 32 percent speak English either exclusively or “very well;” 20 percent speak it “well” and the remaining 48 percent speak it “not well or not at all.” Migration Policy Institute analysis of 2013 American Community Survey.
- ⁴⁶ “Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow,” Fiscal Policy Institute and At Americas Society/Council of the Americas joint-report. January 2015.
- ⁴⁷ “Minority-Owned and Immigrant-Owned Businesses in Georgia’s Economy,” Center for State and Local Finance, Georgia State University. Nov. 3, 2014.
- ⁴⁸ This federal program allows certain undocumented immigrants who entered the country before their 16th birthday and before June 2007 to receive a renewable two-year work permit and exemption from deportation.
- ⁴⁹ GBPI detailed the drawbacks to denying educational opportunities to qualified undocumented Georgians in the 2015 report “Georgia’s Workforce Development, Economy Damaged by Barriers to Higher Education for Undocumented Students.”
- ⁵⁰ “Education Reform in a Changing Georgia,” Migration Policy Institute. March 2014. Page 13.
- ⁵¹ Ibid. Page 8.
- ⁵² “Immigrants Welcome Here,” New York Times. Feb. 19, 2014.