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A Financial Argument for Immigrants

The relationship between immigration and
state revenue.

Pia Smith - June 20, 2021

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Domain Frame

Knowing at least two of my grandparents' immigrant backgrounds as well as being an immigrant myself, in addition to my local area having a high percentage of Mexican immigrants together with the Bay Area obviously thriving with an influx of people with a variety of visa statuses, people from other states and commuters from other counties, I am curious to find out, if there is a relationship between influx of immigrants and a higher state revenue.

Hypothesis

States that take a higher number of immigrants have a higher state revenue.

Data

Citation of Data Sources Used

United States Census Bureau. (n.d). *Section 1. Population*. <https://www.census.gov/library/publications/2006/compendia/statab/126ed/population.html>

United States Census Bureau. (n.d.). *State Intercensal Tables: 2000-2010*. <https://www.census.gov/data/tables/time-series/demo/popest/intercensal-2000-2010-state.html>

Wikipedia (n.d.). *List of U.S. states by population*. https://simple.wikipedia.org/wiki/List_of_U.S._states_by_population

Wikipedia (n.d.). *Federal tax revenue by state*. https://en.wikipedia.org/wiki/Federal_tax_revenue_by_state

Homeland Security (n.d.). *LPR by State, County, Country of Birth, and Major Class of Admission (Top 200 Counties)*. <https://www.dhs.gov/immigration-statistics/readingroom/LPR/LPRcounty>

International Monetary Fund. (June 19, 2020). *Migration to Advanced Economies Can Raise Growth*. <https://blogs.imf.org/2020/06/19/migration-to-advanced-economies-can-raise-growth/>

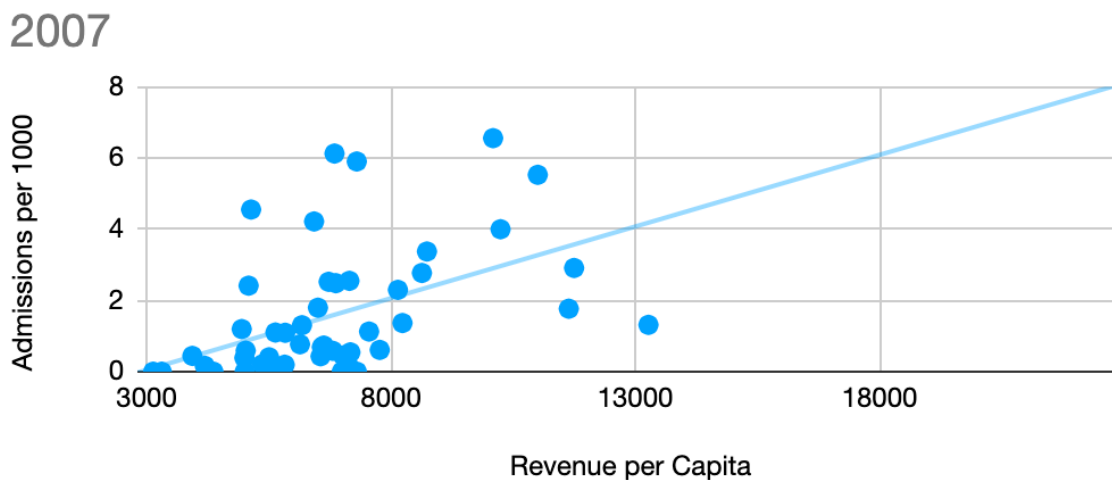
List of Data Elements Analyzed

States, Populations, State Revenues, Admissions, Revenue per Capita, Admission / Population.

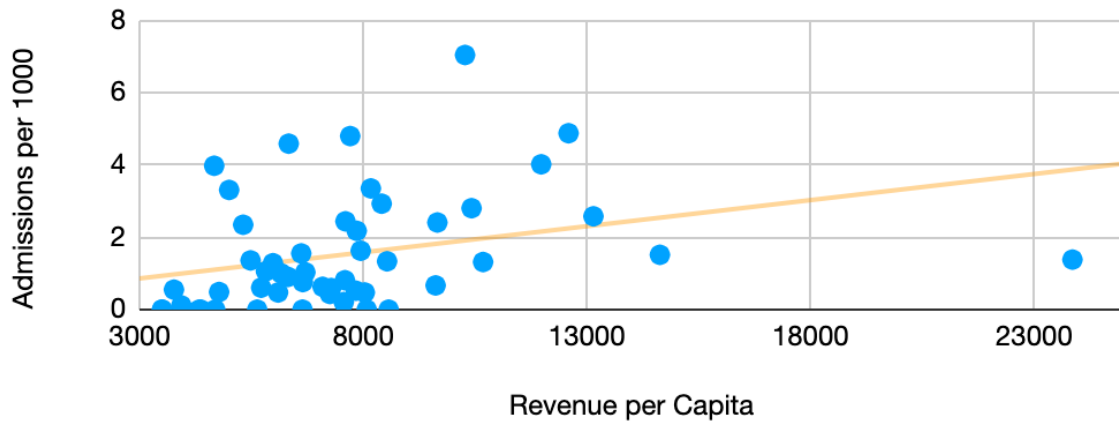
Sample of Data Sets Used

See Appendix 1: Data Set Samples for 2019.

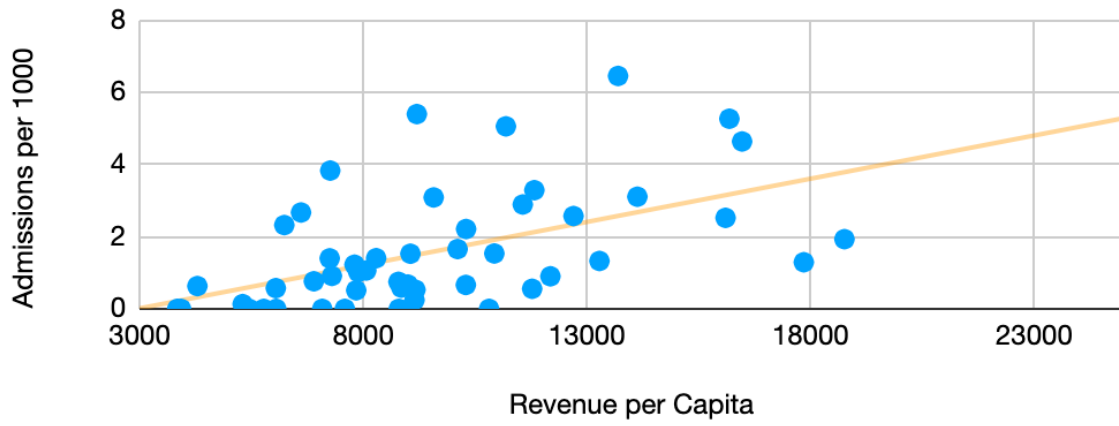
Exploratory Analysis



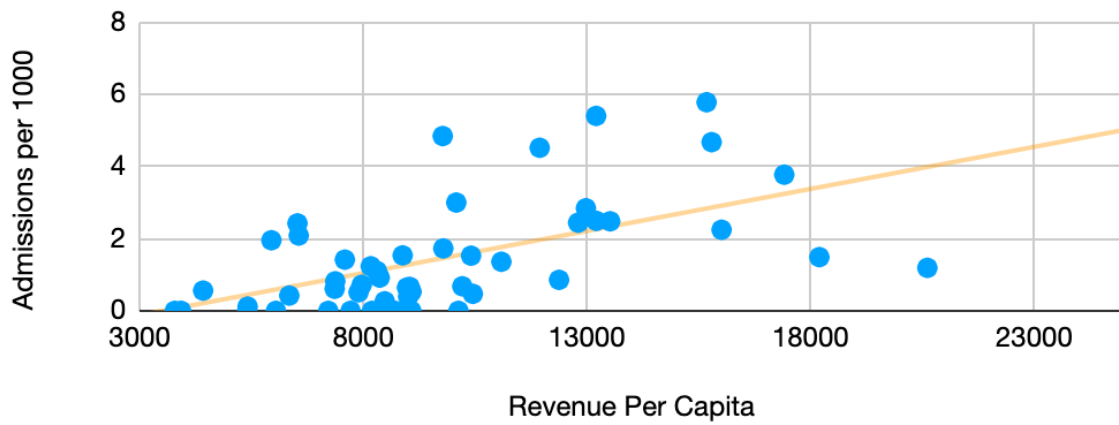
2012



2017



2019



Findings

2007, due to the economic downturn predictably has lower revenue per capita, however it still shows an upward trend between admissions vs population. 2012 and 2017 sees an increase in immigrants admissions and an upward going trend when compared to state revenue. 2019 sees a minor drop, likely due to less general admissions during the last administration in combination with the financial successes of states like Delaware and Minnesota which have generally have few admissions per capita — pulling the trend downward.

But over all, there is an upward trend between the number of immigrants admitted and state revenue.

My findings are aligned with the International Monetary Fund's findings:

“We find that **immigrants** in advanced **economies increase** output and productivity both in the short and medium term. ... That's because native and **immigrant** workers bring to the labor market a diverse set of skills, which complement each other and **increase** productivity.”

Appendix 1: Sample Data Sets

Final 2019 Data Set Sample

States	Populations	State	Admissions	Revenue per capita	Admission/Population
Michigan	9,986,857	81583480	12335	8169.084628	1.235123323
Minnesota	5,639,632	102642589	8401	18200.22814	1.489636203
Mississippi	2,976,149	11273202	0	3787.848659	0
Missouri	6,137,428	64149074	2900	10452.11023	0.4725106347
Montana	1,068,778	6356727	2091	5947.658915	1.956439972
Nebraska	1,934,408	25551082	10447	13208.73466	5.400618691
Nevada	3,080,156	23769524	0	7716.987062	0
New Hampshire	1,359,711	12208656	879	8978.860949	0.6464609024
New Jersey	8,882,190	140258435	41513	15790.97441	4.673734743
New Mexico	2,096,829	9270398	1178	4421.151176	0.5618007
New York	19,453,561	304992923	112428	15677.99967	5.779301795

State Population Estimate Sample for 2019

States	2019
Rhode Island	1,059,361
South Carolina	5,148,714
South Dakota	884,659
Tennessee	6,829,174
Texas	28,995,881
Utah	3,205,958
Vermont	623,989
Virginia	8,535,519
Washington	7,614,893
West Virginia	1,792,147
Wisconsin	5,822,434
Wyoming	578,759

State Revenue Sample for 2019

State	Revenue
Kentucky	35,595,050
Louisiana	39,430,322
Maine	8,130,883
Maryland	78,473,276
Massachusetts	120,035,203
Michigan	81,583,480
Minnesota	102,642,589
Mississippi	11,273,202
Missouri	64,149,074
Montana	6,356,727

Sample Admissions Data Sample 2019 incl. pivot

State of Residence	Admissions	Pivot	
California	0	<i>State of Residence</i>	SUM of Admissions
California	9	Alaska	599
California	9	Arizona	15196
California	0	California	178534
California	21	Colorado	8805
California	160	Connecticut	8012
California	11	Delaware	1161
California	7	District of Columbia	1766
California	0	Florida	104023

Appendix 2: Slides

See attached.