

# NEW AMERICANS IN HOUSTON

A SNAPSHOT OF THE DEMOGRAPHIC AND ECONOMIC CONTRIBUTIONS OF IMMIGRANTS IN THE HOUSTON AREA<sup>1</sup>

## SPENDING POWER AND TAX CONTRIBUTIONS

In 2014, foreign-born residents in Houston contributed

**\$116.5 billion**  
to the area's GDP.<sup>2</sup>

The foreign-born population in Houston holds considerable economic weight. In 2014, immigrants held

**\$31.8 billion**  
in spending power.<sup>3</sup>

Immigrants' spending power accounted for more than a quarter (25.8%) of the total for the Houston area. **Hispanic immigrants contributed \$14.1 billion** in spending power, and **Asian immigrants contributed \$10.3 billion**.<sup>4</sup>

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

**\$2.9 billion** in state and local taxes

including property, income, sales, and excise taxes levied by either the State of Texas or by municipal governments. **Hispanic immigrants paid \$1.5 billion** and **Asian immigrants paid \$852.4 million** of these state and local taxes.<sup>5</sup>

<sup>1</sup> The Houston area includes three counties — Harris, Montgomery, and Fort Bend — that contain the City of Houston. Unless otherwise specified, data comes from one-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 Houston area.

<sup>2</sup> 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 National Association of Counties.

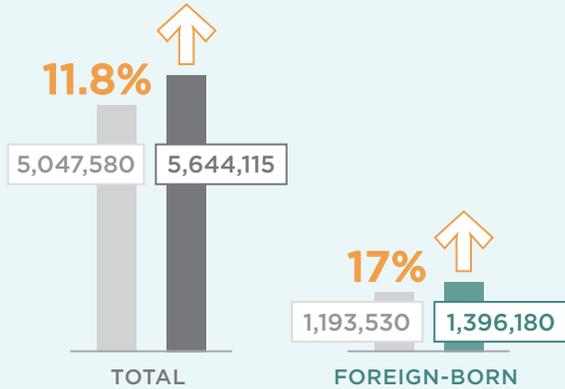
<sup>3</sup> Spending power is the disposable income available to a family after paying taxes that can circulate back into the economy through consumer spending.

<sup>4</sup> 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.

<sup>5</sup> Institute on Taxation and Economic Policy. 2015. "Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States."

## POPULATION GROWTH

Between 2009 and 2014, the population in the Houston area grew 11.8%, from 5,047,580 to 5,644,115. **The foreign-born population increased by 17%**, from 1,193,530 to 1,396,180.

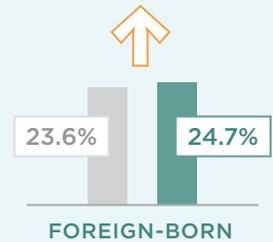


Growth in the foreign-born population accounted for

**34%**  
of overall population growth

during that period.

Between 2009 and 2014, the foreign-born population grew at an annual rate of 3.2%. The share of the total population that was foreign-born in the area **increased from 23.6% to 24.7%**.



## EDUCATIONAL AND LONG-TERM ECONOMIC IMPACTS

In fall 2014,

**16,696**  
students

enrolled in colleges and universities in Houston held **temporary resident visas**.<sup>6</sup>

If Houston retains **one half of international students with bachelor's degrees or higher** after graduation,

**1,902** local jobs

will be created within six years,<sup>7</sup> boosting the area's real GDP by

**\$628 million**

in 2014 terms within the next 30 years.<sup>8</sup>

<sup>6</sup> Data on total student enrollment in the area is derived from the Integrated Postsecondary Education Data System maintained by the National Center for Education Statistics.

<sup>7</sup> Such contributions are possible because foreign graduates often bring new skills, global networks, or specialized training to a given state's overall workforce, allowing a more diverse group of companies to base or expand their operations in the area. This, in turn, creates more job opportunities for local workers." Curtis Simon. 1998. "Human Capital and Metropolitan Employment Growth." Journal of Urban Economics 43.

<sup>8</sup> 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.

## HOUSING WEALTH

As immigrants settle in Houston, they push up the demand for local houses, boosting property values. Between 2000 and 2014, the growth in the immigrant population **increased the total housing value in Houston by \$127.8 billion**. Looking at just the period after the Great Recession, between 2009 and 2014, the growth of the immigrant population increased the total housing value in the area by \$46.6 billion.<sup>9</sup>



**\$127.8 billion increase**  
in total housing value

## LABOR FORCE

Although the foreign-born made up 24.7% of Houston's overall population, they made up **32% of its employed labor force** in 2014. In 2014, 95.2% of working-age immigrants were employed.

**24.7%** of the overall population is foreign-born

**32%** of the working-age population is foreign-born

**Immigrants are heavily concentrated in several key industries in the area, making up significant shares of workers in the following industries:**

Construction .....	55.9%
General services <sup>10</sup> .....	49.4%
Recreation and accommodation .....	41.6%
Manufacturing .....	34.6%
Utilities .....	34.5%

Because of the role immigrants play in the workforce helping companies keep jobs on U.S. soil, we estimate that the immigrants living in Houston in 2014 helped **create or preserve 64,224 local manufacturing jobs** that would have otherwise vanished or moved elsewhere.



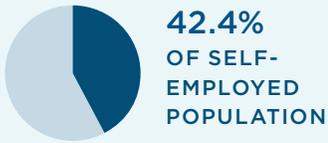
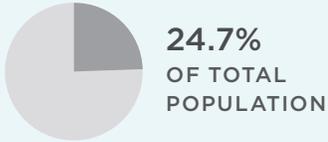
**64,224**  
manufacturing jobs

<sup>9</sup> 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. A national calculation developed by Jacob Vigdor estimates that for every 1,000 immigrants that move to a county, 270 U.S.-born residents move there in response within the next decade. With an increased immigrant population comes increased economic opportunity and job creation, as well as increased service and consumer-oriented businesses, all of which are attractive and draw new residents to the area.

<sup>10</sup> General services include personal services (e.g. laundry services, barber shops, and repair and maintenance), religious organizations, social services, and labor unions.

# ENTREPRENEURSHIP

While 24.7% of the area's total population, immigrants made up **42.4% of its self-employed population** in 2014.



In Houston, **103,056 immigrants** worked for their own businesses, generating nearly

**\$2.5 billion**  
in business income.

**Foreign-born residents are more likely to start new businesses than the U.S.-born in the area.**

In 2014, while 7.5% of the U.S.-born population was self-employed, 11.7% of immigrant residents worked for their own businesses.

## SELF-EMPLOYED

**7.5%** of the U.S.-born population is self-employed

**11.7%** of the foreign-born population is self-employed

**Immigrant entrepreneurs are heavily concentrated in several key industries in the area. These includes:**

General services <sup>11</sup> .....	58.7%
Retail trade .....	53.4%
Construction .....	51.1%
Transportation and warehouse .....	47.8%

In 2012, **Hispanic residents in Houston** owned **152,766 businesses**, generating

**\$21.3 billion** in sales  
and paying **100,395 employees**.

**Asian residents** owned **61,304 businesses**, generating

**\$25.6 billion** in sales  
and paying **114,773 employees**.<sup>12</sup>

In 2015, Houston had eight Fortune 500 firms that were founded by immigrants or their children.

**These companies generated**

**\$282.2 billion**  
in global revenue

and employed

**125,611 employees**.<sup>13</sup>

<sup>11</sup> General services include personal services (e.g. laundry services, barber shops, and repair and maintenance), religious organizations, social services, and labor unions.

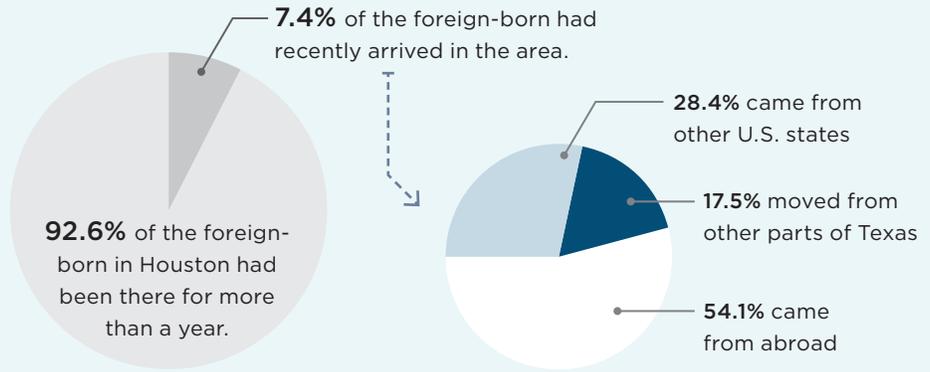
<sup>12</sup> 2012 Survey of Business Owners, U.S. Census Bureau.

<sup>13</sup> Corporate revenues are for the fiscal year of 2014.

# MIGRATION

**In 2014, a vast majority (92.6%) of the foreign-born had been in Houston for more than a year.**

Of the 7.4% of foreign-born residents who recently arrived in the area, 17.5% moved from other places in Texas, while 28.4% came from other U.S. states and 54.1% came from abroad.



**TOP FIVE COUNTRIES OF BIRTH FOR IMMIGRANTS WHO HAVE ONLY LIVED IN HOUSTON FOR A YEAR**

- 10.1% India
- 8.5% Colombia
- 8.2% Mexico
- 7.5% Honduras
- 5% China



**TOP FIVE COUNTRIES OF BIRTH FOR ALL IMMIGRANTS IN THE HOUSTON AREA**

- Mexico 40.3%
- El Salvador 9%
- India 5.8%
- Vietnam 5.4%
- Honduras 4.1%