

UNO study: Immigrant workers boost local economy

By [Christopher Burbach](#)

WORLD-HERALD STAFF WRITER

The labor and spending of immigrant workers in three economic sectors supports 34,000 jobs in metropolitan Omaha and Council Bluffs, including many filled by U.S.-born workers, according to a new University of Nebraska at Omaha study.

Those jobs, the study found, include not only the roughly 13,000 jobs filled by immigrant workers in the meat processing, construction and food service sectors of the local economy. They also include employment in enterprises that the immigrant workers support with their labor and spending, the report asserts.

Each year, immigrant workers contribute \$1.4 billion to the Omaha-Council Bluffs economy through their spending and the economic activity it generates.

Those were among the major findings of the report, “Economic Impact of Latin American and Other Immigrants.” It was produced by UNO economist Christopher Decker, UNO demographer Jerry Deichert and Lourdes Gouveia, director of UNO's Office of Latino/Latin American Studies. The report is to be formally released today.

Its findings are similar to those in research UNO published in 2008. But the 2008 study focused on Nebraska, and the current study focuses on Omaha-Council Bluffs metro area, as well the states of Iowa and Nebraska.

It is the first study to make such assessments for the metro area, Gouveia said. She called the results a “powerful validation” of the contributions of immigrants in general, and those from Mexico, Central America, South America and the Caribbean specifically.

“Without the immigrant and Latino populations, this region's economy would be in serious trouble,” Gouveia said.

The findings should help counter what she called a common narrative that those populations “are a drain on the economy.”

The researchers primarily relied on data from the U.S. Census Bureau's American Community Survey for the years 2006 through 2010.

Researchers did not differentiate between documented and undocumented workers because they did not have reliable data for those populations, Decker said.

Among the study's findings:

» In the Omaha-Council Bluffs metro area, the immigrant labor force accounted for 54 percent of employment in meat processing, 11 percent of employment in construction and 10 percent of employment in restaurants and other food services.

» In Iowa, immigrant spending generated between \$2.5 billion and \$3.2 billion worth of total economic production. Of that, Central or South American immigrants generated \$477 million to \$615 million.

» In Nebraska, the spending figure generated between \$1.9 billion and \$2.4 billion in total economic production, with Central or South American immigrants generating between \$834 million and \$1.1 billion of that.

» In Iowa, the foreign-born population accounted for 3.4 percent of state revenues from income, sales and gasoline taxes. Immigrants received 3.1 percent of total state expenditures on public assistance, Medicaid and education.

» In Nebraska, immigrants accounted for 4.3 percent of state revenues from income, sales and gasoline taxes, while receiving 4.1 percent of total state expenditures on public assistance, Medicaid and education.

The researchers concluded that Central and South American-born people in the two states paid into state coffers in taxes roughly the same amount as they drew out in public assistance, Medicaid and education.

Such calculations draw criticism from opponents of illegal immigration because they do not take into account all public expenditures on immigrants.

“That's a legitimate criticism,” Decker said. “It's true that we're not incorporating all costs, but to try to do so would be fraught with problems.”

Precise data isn't available, he said. Gouveia said researchers also left out immigrants' economic contributions that couldn't be quantified precisely.

Decker said they tried to make a focused, meaningful comparison based on the contributions and expenses of which they could be certain.

Among other questions, the researchers asked this hypothetical: What if immigrant workers all vanished immediately?

This was meant as a way of measuring the groups' economic impact, Decker said, and not based on an assumption that the workers were undocumented and would be deported.

The study found that 34,000 jobs would go away in the Omaha-Council Bluffs area alone. They base that on a multiplier of 2.5. In other words, for every job lost because an immigrant wasn't available to do it, another 1.5 jobs would be lost through ripple effects.

For example, because a meatpacking plant would have fewer workers, it would have less production, the plant would need less transportation and industrial supplies, so those related industries would employ fewer people.

Also, fewer employees would mean less household spending. Thus, less revenue for the hardware store and its suppliers.

Of course, not all of the jobs immigrants do would go away without available immigrants. Native-born workers would do some, Decker said.

But given the tight labor market in Nebraska and Iowa, native-born workers wouldn't fill all or even many of the jobs, he said. There would still be an adverse impact on the states' economies and that of the Omaha-Council Bluffs metro area, the study found.

The researchers plan to share their results in community workshops conducted in Spanish and English, Gouveia said. The first took place Friday in Council Bluffs. Additional sessions have not been scheduled.

She said the findings will give immigrant communities “a very powerful way of talking about what they contribute to this economy.”

Funding to support the research came from the Iowa West Foundation and the Mammel Foundation, as well as UNO, its College of Arts and Sciences and its College of Business Administration.

<http://www.omaha.com/article/20121204/NEWS/121209872/1707>