

Immigration Doesn't Hurt City Economies or Ratings, S&P Says

By Amanda J. Crawford - May 17, 2012 3:34 PM CT

Most U.S. cities with “significant immigration” over the past decade saw their credit ratings improve, according to [Standard & Poor's](#).

Even amid concerns about the pressures of new, lower-income or less-educated residents, cities with high numbers of the foreign born saw tax bases grow and per-capita income increase, the report released today by the ratings company said.

“To make a case that immigration causes governments to go broke or jurisdictions to have budget overruns is a simplistic argument,” said Horacio Aldrete-Sanchez, a senior director in state and local government ratings for S&P and an author of the report. “There are undoubtedly costs to these governments, but there is also an overall increase in economic activity and a stabilizing impact on the labor markets.”

The company looked at cities where immigrants fueled [population growth](#) from 2000 to 2010 as well as cities where rapid population growth was primarily due to domestic migration.

The analysts found that while it is difficult to isolate the impact of immigration on local governments, it has not resulted in the deterioration of city economies or financial standings. No city has had its municipal credit rating downgraded because of the burden of immigration, Aldrete-Sanchez said.

“Regardless of whether foreign immigration or domestic migration, as long as there is population growth that seems to be the one factor that drives economic activity,” Aldrete- Sanchez said.

<http://www.bloomberg.com/news/2012-05-17/immigration-doesn-t-hurt-city-economies-or-ratings-s-p-says-1-.html>