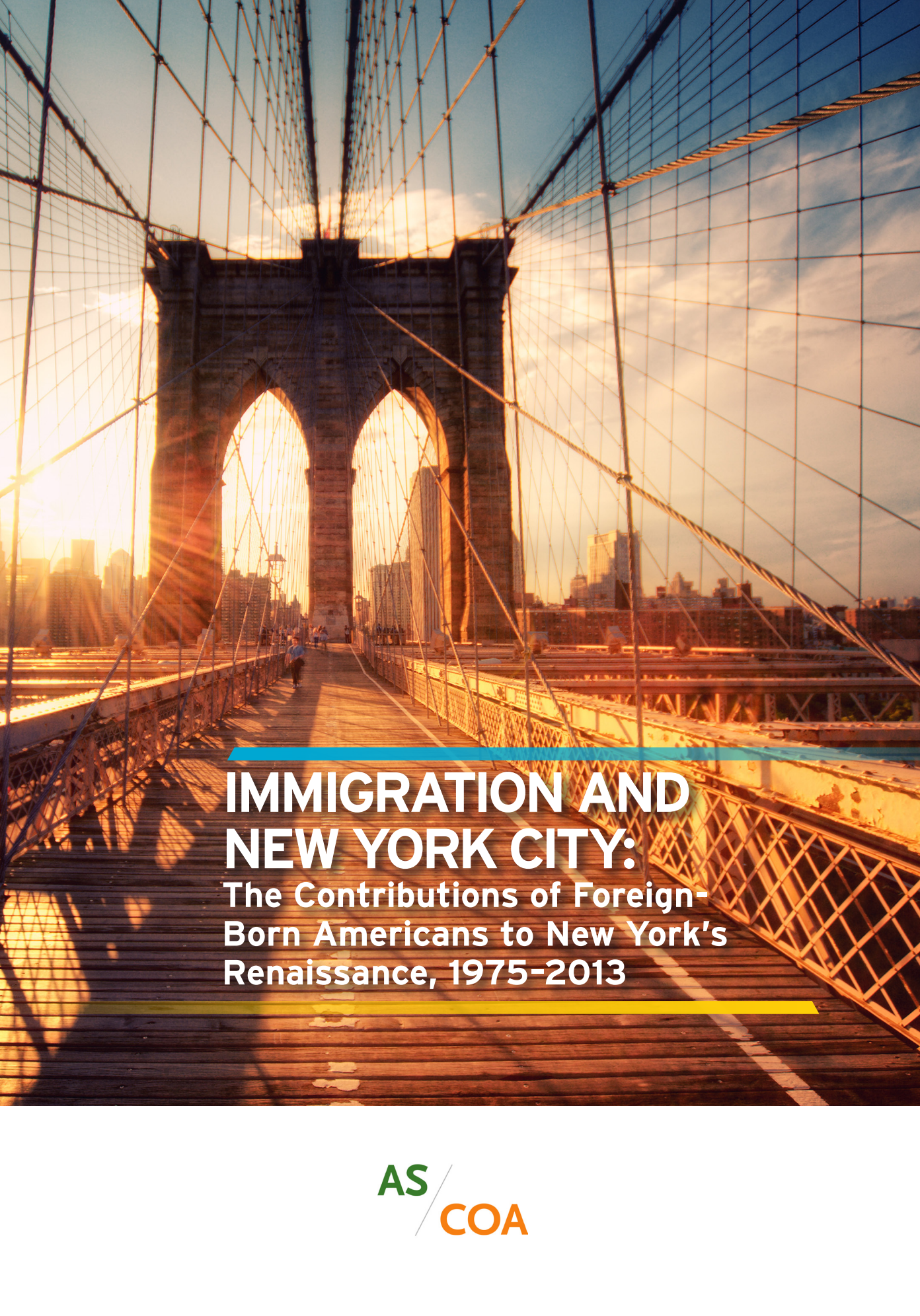




IMMIGRATION AND NEW YORK CITY:

The Contributions of Foreign-
Born Americans to New York's
Renaissance, 1975-2013

About Americas Society/Council of the Americas

Americas Society and Council of the Americas (AS/COA) unite opinion leaders to exchange ideas and create solutions to the challenges of the Americas today.

The Americas Society (AS), the recipient of a grant from the Rockefeller Brothers Fund to produce part of this report, is the premier forum dedicated to education, debate and dialogue in the Americas.¹

The Council of the Americas (COA), affiliate organization to AS, is the premier international business organization with a membership that consists of leading international companies representing a broad spectrum of sectors including banking and finance, consulting services, consumer products, energy and mining, manufacturing, media, technology, and transportation.²

The positions and opinions expressed in this publication do not represent those of Americas Society and Council of the Americas members or the boards of directors of either organization.

This report was made possible with support from the Rockefeller Brothers Fund. The opinions and views of the authors do not necessarily state or reflect those of the Fund.

For further information about AS/COA, visit AS/COA
Online at **www.as-coa.org**.

No part of this publication may be reproduced in any form without permission in writing from Americas Society/Council of the Americas.

1 The Americas Society is a tax-exempt public charity described in 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986.

2 The Council of the Americas is a tax-exempt business league under 501(c)(6) of the Internal Revenue Code of 1986, and as such, actively pursues lobbying activities to advance its purpose and the interests of its members.

IMMIGRATION AND NEW YORK CITY:

The Contributions of Foreign- Born Americans to New York's Renaissance, 1975-2013

—April 2014

Jacob L. Vigdor of Vigdor Measurement & Evaluation LLC prepared this report, and is grateful for the outstanding research assistance of **Mayuri Valvekhar**.

At Americas Society/Council of the Americas, **Kate Brick**, policy manager, and **Richard André**, senior policy associate, lead the AS/COA Immigration and Integration Initiative under which this report was produced. **Susan Segal**, president and CEO, supports and guides the organization's immigration work. **Jason Marczak**, former policy director at AS/COA, oversaw the development of this report.

Paula Daneze and **Donald Partyka** designed this publication.

COVER PHOTO BY PHILIPP KLINGER/GETTY

TABLE OF CONTENTS

2	Executive Summary
4	Introduction
6	Methodology
7	Immigration Restrictions and Their Impact on New York City
8	Immigration and New York's Resurgence
8	Providing a Needed Population Boost
9	Furthering the Declining Crime Rate
10	Easing Housing Affordability
13	Profiles: Neighborhoods Transformed by Immigration
13	Chinatown, Manhattan (NYPD 5 th Precinct)
13	Kew Gardens/Richmond Hill/Woodhaven, Queens (NYPD 102 nd Precinct)
15	Canarsie, Brooklyn (NYPD 69 th Precinct)
16	Morrisania, Bronx (NYPD 42 nd Precinct)
17	New York's Future
18	Endnotes

Executive Summary

What does a New Yorker look like? In a city with a long history of opening its doors to newcomers from across the world, a New Yorker can be anyone, from anywhere. New Yorkers are the Sri Lankan and Chinese-born entrepreneurs running restaurants and law firms in Queens. They're the Dominicans and Mexicans who own corner stores, drive taxi-

Since the mid-1970s, immigrants have been a driving force in the city's turnaround—making it more safe, affordable and attractive to new residents.

cabs and keep the city running, as well as the Indian and Nigerian scientists whose innovations power pharmaceutical firms and high-tech startups in lower Manhattan. And they're the residents born and raised in Brooklyn, working long hours for the New York City Police Department and the city's major financial firms.

This report looks at one component of the rich diversity of New York City: the city's more than 3 million foreign-born residents. For decades immigrants have populated neighborhoods from Brooklyn to the Bronx, bringing new culture, traditions and perspectives.

But this report finds that their influence is

much greater. Our research quantifies the major impact immigrant residents have had on the quality of life for New York City's more than 8.2 million residents over the last nearly 40 years.

The findings are telling: in the years since New York's near bankruptcy in the mid-1970s, immigrants have become a driving force in the city's dramatic turnaround—making the city more safe, affordable and attractive to new residents.

Key Findings:

- **Immigration is responsible for reversing New York City's population decline, helping the economy to thrive once again.** Immigration explains why after losing residents in the 1970s, New York City's population reached an all-time high by 2000 and has kept growing in the new millennium. If those immigrants had not arrived, New York City's property tax base would have eroded by \$500 billion over 30 years, weakening the city's capacity to provide basic services.
- **Immigrants have played a decisive role in reducing New York City's crime rate.** Over the last two decades, police precincts serving areas with higher immigration levels tended to witness larger declines in crime rates than areas with fewer immigrants. For every 1 percent increase in a precinct's immigrant population, an average of 966 fewer crimes are committed each year.¹ This means that up to two-thirds of the drop in crime city-wide can be attributed to immigration.
- **Immigration has lessened the city's housing affordability problems.** While real estate prices have escalated dramatically in segments of Manhattan and Brooklyn dominated by U.S.-born residents, immigrants have blazed trails into formerly struggling sections of the city, in many cases re-establishing new neighborhood alternatives for middle-class families.

- **Immigrants are contributing to the personal wealth of city homeowners.**

The roughly 2 million immigrants who have arrived in New York since the 1980s are responsible for a \$188 billion boost to home equity citywide. This impact is particularly notable in boroughs other than Manhattan where immigrants have clustered. In the Bronx, immigrants have boosted the value of the average home by almost \$7,000 since 2000. In Queens, the comparable figure is more than \$3,300—a major boost to the wealth of home-owning families.

The lessons learned from this report are more than just a New York story. In many cities and towns across the country—from Houston and Los Angeles to Warsaw, North Carolina, and Buena Vista County, Iowa—immigrants have arrived in large numbers in recent decades. Our research suggests many of these places have enjoyed similar benefits due to the contribution of immigrants as neighbors, entrepreneurs and homeowners. New York City, however, currently has more foreign-born residents than any other major city in the world. The success of New York City's immigrants dictates the success of the city itself.

But the role immigrants will play in helping New York remain successful in the future is far from certain. The outcome of immigration reform legislation in Congress could have a profound effect on the number

For every 1 percent increase in a precinct's population due to immigration, an average of 966 fewer crimes are committed each year.

of immigrants arriving in the city—and the country as a whole—in the coming decades. In the 1970s, following a period of dramatically reduced immigration, New York City faced unprecedented struggles—from financial challenges to crime. As immigration increased in the following decades, the city experienced a dramatic turnaround. This report shows that this series of events was not a coincidence. New York City has thrived in part because of its immigrants. Reforming U.S. immigration policy would help New York to continue to attract the very striving, hardworking immigrants that have made it the dynamic, world-class city it is today.

Introduction

Cities provide immigrants with a chance to find their way in a new culture and economy quickly; at the same time, cities benefit when they welcome immigrants. By boosting housing values, preserving jobs, starting businesses, and volunteering at local civic and religious organizations, foreign-born residents contribute greatly to the success and vitality of their neighborhoods. This dynamic is particularly beneficial for pockets of large cities that have fallen out of favor: immigrants gravitate toward the older, less popular neighborhoods most in need of a new infusion of residents and their corresponding economic contributions.

Nowhere is this symbiotic relationship more obvious than in New York City, a place that inspired the term “the melting pot” more than 100 years ago. New York is currently home to almost 3.1 million immigrants. From central Queens to the South Bronx, many of these immigrants have dramatically shaped and improved their neighborhoods over the last nearly 40 years. Today, almost 40 percent of the city’s residents are foreign born, and a full 60 percent are either first- or second-generation immigrants. In 1970, only 18 percent of city residents were born abroad.

These newcomers arrive in New York seeking out the American dream, and the contributions they make to the city’s economic health are enormous. In 2008, immigrants were responsible for \$215 billion of economic activity in New York City, which represents almost a third of the city’s gross city product.

Immigrants in New York also play an outsize role as entrepreneurs. Nationally, approximately 12 percent of self-employed individuals—the country’s entrepreneurs and job creators—are foreign born. In New York City, the figure is 49 percent. Immigrants also fill critical vacancies in niche industries. Immigrants make up 72 percent of the city’s nursing, psychiatric and

home health aides as well as almost half of the city’s physicians and surgeons, and more than one in five elementary and middle school teachers.²

This report briefly reviews how restrictive policies passed by Congress in 1924 and the resulting lack of immigrant inflow contributed to the city’s struggles during the 1970s. It then describes how immigration has fueled the city’s revitalization since then, quantifying for the first time how immigrants have helped lower crime, raise neighborhood housing wealth and attract new residents to key parts of the city. Our analysis provides citywide data and explores four key neighborhoods where declining trends were stanchied and reversed with an inflow of immigrants.

The Flow of Immigrants Through New York City

Forty years ago, the top-five sending countries for New York City’s foreign born were, in order, Italy, Poland, the Soviet Union, Germany, and Ireland. None of those countries appears on today’s top-five list, though if the Soviet Union existed today it would rank fifth. Instead, the top sending countries include the Dominican Republic, China (including Hong Kong and Taiwan), Mexico, Jamaica, and Guyana.

Immigrants—in the 1970s and today—arrive needing to make decisions quickly, often without fully understanding American culture or possessing a strong grasp of the English language. They tend to rely on those who previously migrated from their home countries to learn how to thrive in their new home. Of course, in a place like New York City, where more than one in three people is foreign born, finding such a support network is considerably easier.

The city also provides ample support to its immigrants. Since 2001, it has had a charter-mandated Office of Immigrant Affairs dedicated to promoting the well-being of immigrant communities. In 2008, former Mayor Michael Bloomberg

established a citywide language access policy (via executive order) that requires that all city agencies with direct interaction with New Yorkers to provide free translation and interpretation help in at least the city's top six languages spoken by limited English proficient New Yorkers—including Spanish, Chinese, Korean, Haitian Creole, Russian, and Italian.

The city ensures that microloans and entrepreneurship training are available to immigrants and refugees, and has offered free business planning and financing courses to immigrant business owners in multiple languages. As of 2003 the city also ensures the confidentiality of the immigration status of all people interacting with city government or law enforcement—offering more such protections than almost any other metropolitan area in the country.³

How Immigrants Make Neighborhoods Strong

To understand how immigrants benefit New York City, it is helpful to understand how immigrants shape city neighborhoods. In almost every city in the country, consumers' housing preferences are a function of ever-shifting trends. Fifty years ago, for instance, row houses in many areas fell out of favor as tracts of suburban ranch and split-level houses began to surround older neighborhoods. Today, it is these older suburban homes that look dated, spurned by consumers heading farther into the suburbs or back into the city. In New York City, this trend is leading today's U.S.-born homeowners to abandon midcentury communities in Queens, Staten Island and outlying parts of Brooklyn like Canarsie—opening them up for resettlement by immigrants.

These housing trends elevate the

Immigrants play an important role in repopulating out-of-favor neighborhoods, which otherwise could become magnets for crime.

important role that immigrants play in repopulating out-of-favor neighborhoods, which, without immigrants, could become magnets for crime and social ills. By moving to older areas and contributing to their safety and upkeep, immigrants preserve housing options for all city residents, making neighborhoods safer for longtime residents while attracting new residents from other parts of the city. When immigrants buy homes in these communities, they keep property on the tax rolls, making more money available to fund critical public services like schools, police and fire protection.

The economic benefits of immigrants to neighborhoods are well established. Between 2000 and 2007, the 10 neighborhoods with the highest number of immigrants boasted stronger economic growth than the rest of the city.⁴ And the period with the most rapid growth—between the late nineteenth and early twentieth centuries—was also a period with very high levels of immigration.

Methodology

This report uses data on population, housing and crime in New York City. Analysis of immigration and crime makes use of data from two sources: NYPD precinct-level crime statistics (available online at http://www.nyc.gov/html/nypd/html/crime_prevention/crime_statistics.shtml) and population counts and estimates provided by the U.S. Census Bureau. These sources provide data for precinct-level crime rates, population, and the immigrant population in both 1990 and 2010. The 1990 population data are taken from the decennial Census and the 2010 figures are taken from the American Community Survey, which collected its sample between 2007 and 2011. Given that Census reports population counts at the level of the Census tract rather than the NYPD precinct, a mapping of tracts to precincts was accomplished by visually inspecting tract and precinct maps side by side. In those cases where a Census tract straddled one or more precinct boundaries, the population of that tract was apportioned evenly to each included precinct. One precinct—the 33rd—did not exist in 1990; that precinct and the 34th, from which the 33rd was carved, are excluded from the analysis.

The crime results in this paper are based on a regression analysis relating a precinct's change in crime rate (using the FBI definition of serious violent and property crimes per 100,000 residents) over the 20-year period to the change in foreign-born population—defined as the ratio of raw change in the foreign-born population to total precinct population at the beginning of the time period. The model does not perfectly explain why crime declined more rapidly in some precincts than others. According to the simple regression model, immigration can account for about 29 percent of the variation in crime reduction across precincts. This implies that there is some statistical uncertainty—a margin of

error—surrounding the estimate of the total amount of crime reduction attributable to immigration. The coefficient on the change in foreign-born variable is statistically significant beyond the 0.1 percent level. This regression also includes a control for the initial crime rate in the precinct.

The housing price statistics used in this report are derived from a nationwide analysis of the relationship between housing values and the size of the immigrant population at the county-level (available online at <http://www.as-coa.org/sites/default/files/ImmigrationUSRevivalReport.pdf>). For purposes of this study, New York City is divided into five boroughs and the impact of immigration on housing prices in each borough is determined by examining: (A) the flow of immigrants into that borough since 2000 and (B) assessing the likely impact of a flow of that magnitude using national data on immigrant flows and housing prices. Two of the five boroughs, Manhattan and Brooklyn, witnessed a decline in foreign-born population over this time period. Consequently, we do not attribute any price increase to immigration for these boroughs. To translate immigrant inflows into the other three boroughs into a dollar value impact on prices, we used national statistics indicating that the addition of one immigrant to a county raises housing prices by an average of 11.5 cents. The derivation of this 11.5 cent statistic is described in full detail in the national report on immigration and cities. The effect of immigration on housing prices may in fact be larger than average in a city such as New York, which is more densely populated than average and has few vacant areas in which to build new housing stock. To the extent that is the case, we underestimate the impact of immigration on housing prices in Queens, the Bronx, and Staten Island. We also use the 11.5 cent statistic to impute the impact of diverting native-born residents away from more expensive boroughs.

Immigration Restrictions and Their Impact on New York City

In the 40-year span between 1880 and 1920, New York's population nearly tripled. During this period—when New York was transforming from a port city to an industrial metropolis—ample employment opportunities drew in many new residents. Workers from abroad filled employer vacancies: more than 630,000 immigrants settled in the city in the 1890s, followed by another 670,000 in the first decade of the twentieth century. It would not be until the 1990s that New York would see immigration at such high levels again.

In the 1920s, things began to change dramatically. Congress passed severe immigration restrictions—most notably the Immigration Act of 1924—effectively cutting off the supply of European workers that had fueled New York City's economic growth. In the years that followed, New York City attracted workers from elsewhere. African Americans migrated to the city from the rural South, causing the city's black population to grow from 100,000 in 1910 to almost 1.7 million by 1970. Puerto Ricans also began arriving—with more than 400,000 settling in New York City in the 1950s alone.

In many cases, these newcomers occupied the same neighborhoods that had housed the prior wave of immigrants. The children of those earlier immigrants, meanwhile, moved on to new locations, either in boroughs other than Manhattan or in the suburbs. By the 1950s, the inflows and outflows of people in New York were roughly in balance: the city's population fluctuated little between 1950 and 1970, even as the foreign-born population declined by almost 350,000.⁵

The 1970s represented the city's most challenging decade. The population declined by more than 10 percent and the city fell into a fiscal crisis that led it to request—and to be denied—federal intervention. Pessimism about the city's prospects was reflected in housing prices: while in 1950 the median owner-occupied home was worth more than three times the city's median household

income, by 1970, it had dropped to slightly more than two times. Although the city attracted 140,000 immigrants over the course of the 1970s, this figure was just a trickle compared to previous inflows—and it could not counteract the large numbers of U.S.-born residents leaving the city.

While it might appear that the city's crisis scared away newcomers, national trends make clear that the number of new New Yorkers was slowing for other reasons. The migration of African Americans from the rural South stalled in the mid-1960s as conditions in the South began to improve during the Civil Rights era. Emigration from Puerto

Although the city attracted 140,000 immigrants in the 1970s, this figure was a trickle compared to previous inflows.

Rico also slowed—from a peak of 470,000 departures in the 1950s to only 66,000 in the 1970s. And while the Hart-Celler Act of 1965 removed the system of national origin quotas that had severely restricted immigration to the United States as a result of the Immigration Act of 1924, the reaction to the new law was too slow to offset the aging of earlier generations of immigrants.

By 1970 the country's foreign-born population was smaller than it had been in 1960. For New York City, which depends on a steady flow of newcomers for its economic and civic vitality, the effects of diminishing immigration reverberated across the city.

Immigration and New York's Resurgence

The turnaround in New York City since the 1970s is one of the most dramatic urban success stories in recent decades. The city's population rebounded: by 2000, New York was home to more than 8 million people, and it has continued to grow since.

The city's overall crime rate, persistently high through the 1980s, has also declined dramatically. The number of murders citywide fell from 2,262 in 1990 to 417 in 2012, making New York the safest large city in America.⁶

The housing market has turned around as well, with median home value more than 10 times median household income as of 2011. While immigration is one of many factors that contributed to this revitalization, one thing is clear: without the resurgence of immigration to the United States beginning in the 1980s, New York would be much less populous and prosperous than it is today.

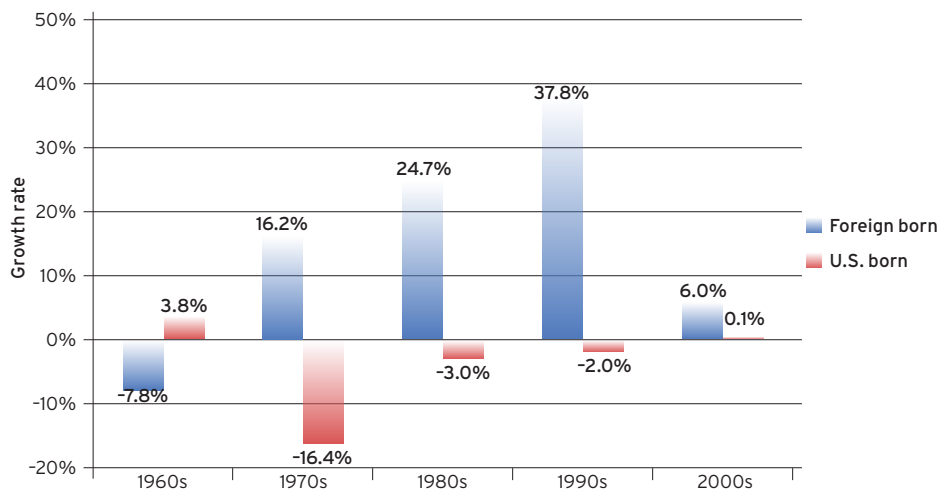
Providing a Needed Population Boost

The role of immigrants in offsetting the decreasing number of U.S.-born residents living in New York in recent decades is often underappreciated. For instance, in 2001 when news broke that New York City's population had crossed the 8 million threshold for the first time, city officials quickly pointed to other causes that made longtime New Yorkers remain in the city.⁷

In reality, New York City's U.S.-born population declined during the 1990s, just as it had during the 1980s and 1970s [SEE FIGURE 1]. The loss of 100,000 U.S.-born residents, however, was offset by a gain of nearly 800,000 immigrants in the 1990s. Between 1980 and 2000, the city's foreign-born population increased by 1.2 million, as the U.S.-born population declined by 250,000. If not for immigrants, headlines following the 2000 census

Figure 1:

POPULATION GROWTH RATE BY BIRTHPLACE AND DECADE, NEW YORK CITY



would have described the city's third consecutive decade of population decline.

In fact, the decline in the U.S.-born population would have likely been more rapid if not for immigration. The arrival of waves of immigrants in a city boosts the population of U.S.-born residents as well. This is largely because immigrants—by both spending more in their local areas and starting businesses—create economic opportunities that then attract new U.S.-born residents.

Without the immigrants that arrived since 1980, the city's property tax base would be \$500 billion lower than it is today.

Estimates based on national data indicate that the arrival of 1,000 immigrants in a county draws an additional 270 U.S.-born residents. Federal government statistics also show that a group of 1,000 immigrants would be expected to give birth to 150 U.S.-born children over a decade. Given this, estimates indicate that New York City's population—currently at 8.25 million, including more than 3 million immigrants—would be closer to 6 million if not for the surge in immigration since 1980.

New York's revitalization was possible in large part because the city has remade

itself as a place where young adults—many of whom opt to marry and have children later—can enjoy a safe, urban lifestyle. But New York's revitalization was also largely driven by immigration.

The U.S.-born population in New York has modestly increased since 2000. But the 40,000-person growth in the U.S.-born population can be almost entirely attributed to immigrant childbearing. At the same time, immigrants have continued to replenish the city's population: since 2000, the immigrant population has risen by 236,000.

The impact of these population trends goes much further than just increasing the number of people living in New York City. Immigrants contribute to the city's tax base and to overall spending as consumers. Without the 1.3 million immigrants that arrived since 1980, the city's property tax base would be \$500 billion lower than it is today. This would make it considerably more difficult to provide high-quality education and police and fire protection without raising tax rates.

Furthering the Declining Crime Rate

Crime rates in New York City have fallen precipitously since 1990, in large part because of changes in police department strategy. But other factors have also played a role, even if their relative weight has been in dispute. These include rising levels of youth incarceration, improvements in the local economy and positive demographic changes, specifically a decline in the proportion of city residents in the high-risk young adult age group, the waning of the crack epidemic and the legalization of abortion in the early 1970s.⁸

One factor is often overlooked in debates about what triggered New York City's falling crime rate: the critical role played by immigrants. The positive demographic changes and economic improvements that yield lower crime rates are directly tied to the arrival of immigrants. Immigrants have populated neighborhoods—from

Immigration and New York's Resurgence

Chinatown in Manhattan to Morrisania in the Bronx—that might otherwise have seen high vacancy rates, abandoned housing and scant economic opportunity. The rate of criminal behavior among immigrants is also substantially lower than it is among the U.S. born: immigrants are actually 80 percent less likely to be incarcerated than individuals born in the United States.⁹

But the idea that immigration contributes to neighborhood safety is not merely speculative. Statistical evidence from New York City's police precincts shows that the fall in crime has tended to be greater in areas that experienced more immigration [SEE FIGURE 2]. Of the nine precincts that received 30,000 or more new immigrants from 1990 to 2010, seven saw their crime rate drop more than the citywide average of 80 percent.¹⁰

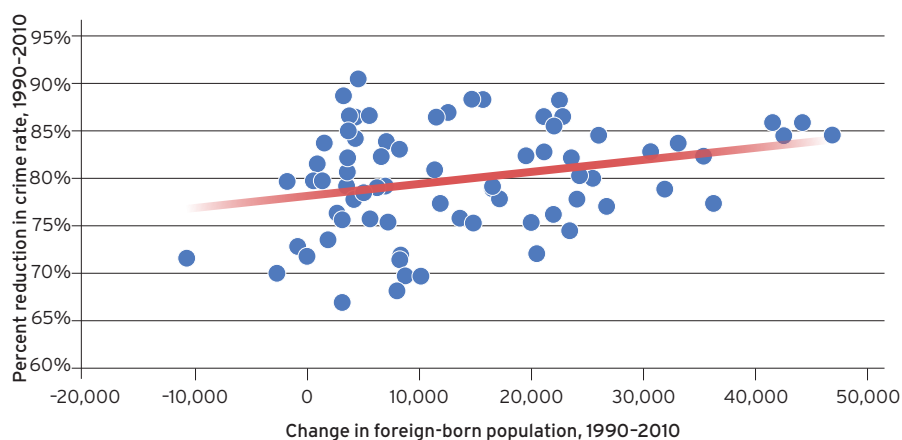
Statistical analysis suggests that for every 1 percent increase in a precinct's population through immigration, an average of 966 fewer crimes are committed each year.¹¹

By comparing the actual crime rate in each precinct with the projection of what crime would have been had immigration not occurred since 1990, it becomes clear that immigration has been one of the most important factors driving New York City's historic drop in crime over the past 25 years. Up to two-thirds of the decrease in crime can be attributed to the impact of immigration. [SEE FIGURE 3, P.11].

One argument may be that immigrants do not cause reductions in crime, and that they instead gravitate toward areas with lower crime rates. While this is in fact true—from 1990 to 2010, immigrants were more likely to move to precincts that had lower crime rates as of 1990—it is important to note that Figure 2 illustrates the relationship between immigration and trends in the crime rate, not between immigration and the 1990 crime rate. In fact, given that crime tended to fall fastest in precincts with the highest 1990 crime levels, Figure 2 actually understates the impact of immigration on crime.¹²

Figure 2:

CRIME TENDS TO FALL FASTER IN PRECINCTS RECEIVING MORE IMMIGRANTS (EACH DOT REPRESENTS ONE POLICE PRECINCT).



Immigration and New York's Resurgence

Figure 3:

How Immigrants Reduce Crime in New York City, 1990-2010

WHEN A POLICE PRECINCT'S POPULATION INCREASES BY **1 percent** THROUGH IMMIGRATION

1 percent



THE PRECINCT WITNESSES AN AVERAGE OF **966** FEWER CRIMES PER YEAR. THIS TRANSLATES INTO UP TO **two-thirds** FEWER CRIMES CITYWIDE.

966 per precinct



Easing Housing Affordability

New York is a vast city encompassing more than 300 square miles. It is home to many of the nation's most exclusive—and expensive—residential addresses. At the same time, the city contains dozens of neighborhoods filled with single- or two-family residences that sell for prices much closer to the national average. As recently as the early 1980s, the city also included large expanses of abandoned or dilapidated structures, left behind by families moving to the suburbs in search of lower crime, better schools and a higher quality of life.

The city is not a single housing market where units trade at a common price, but rather a collection of markets where prices for comparable units vary dramatically, often in the space of a few blocks. So how have the immigrants entering in the 1980s, 1990s and more recent years impacted the city's housing market?

Had immigrants flocked to the fashionable

neighborhoods where housing was already expensive, their effect would likely be detrimental, as it would have increased competition for housing, potentially raising prices in the process. In reality, the opposite occurred.

Immigrants stabilized prices in neighborhoods that would have otherwise declined—as many areas did in the 1970s when few immigrants arrived. This occurred because immigrants helped make areas in boroughs other than Manhattan more attractive to families and homeowners who once would not have considered looking for housing outside of Manhattan or the more established parts of Brooklyn or Queens. At the same time, by moving away from—and therefore lowering demand in—wealthy neighborhoods, they helped ease affordability challenges in those areas of the city.

Since 2000, the boroughs containing the most fashionable and expensive parts of New York—Manhattan and Brooklyn—have

Immigrants helped to prevent a more than \$2,300 increase in the already expensive price of the average Manhattan home.

actually seen a more than 10,000-person decline in the immigrant population. The increase in immigration has been confined to other segments of the city—Queens, the Bronx and Staten Island—where housing has traditionally been more affordable. The Bronx, the borough hardest hit by population losses in the 1970s, witnessed the largest inflow of immigrants between 2000 and 2010. While one in five residents departed in the 1970s, more than 58,000 new people settled in the Bronx in the last decade. Today, Queens is also a success story because of its robust immigrant population: nearly half of all residents in present-day Queens were born abroad.

Estimates based on national data indicate that the arrival of one immigrant to a county

raises median home values in that county by 11.6 cents. On the basis of these estimates, immigration over the past decade boosted home values in the Bronx by an average of more than \$6,700, and on Staten Island by more than \$2,700, with no net impact in Manhattan. These rising home values put real wealth in the pockets of New York families, many of whom count their home as one of their most significant sources of wealth. Still, these neighborhoods remain affordable. The median home price in the Bronx is just over \$386,000—less than half the average price in Manhattan.

Our research also offers some insight into the impact immigrants have had in slowing the rise of real estate prices in Manhattan. In the last decade, roughly 75,000 immigrants moved to the other boroughs, with our research suggesting that this inspired more than 20,000 U.S.-born residents to follow. Since many of those residents instead would have opted to live in Manhattan in previous decades, we can conclude that immigration alone is responsible for offsetting some of Manhattan's affordability challenges.

By encouraging foreign-born and U.S. residents to settle in underpopulated areas of the other boroughs, immigrants helped to prevent a more than \$2,300 increase in the already expensive price of the average Manhattan home. In some neighborhoods particularly attractive to the middle class, immigrants may have had an even larger impact.

Profiles: Neighborhoods Transformed by Immigration

The story of immigration's impact on New York City is best understood at the local level. The more than 1.3 million immigrants who have arrived since 1980 citywide have transformed a diverse array of neighborhoods, from the dense blocks of mid-to-high-rise buildings in Little Italy to the tracts of postwar suburban-style single-family houses in Kew Gardens in Queens. The profiles below show how the latest wave of immigrants have transformed four very different parts of the city [SEE FIGURE 4, P.14].

NYPD 5th Precinct: CHINATOWN, MANHATTAN

There are few neighborhoods more closely associated with a specific immigrant group than Chinatown, a neighborhood adjacent to Little Italy in Lower Manhattan. The area acquired its moniker more than a century ago, and its vitality was severely affected by federal immigration restrictions—most notably, the Chinese Exclusion Act of 1882, which prohibited the immigration of Chinese laborers. Deprived of the immigrants that had been the area's traditional source of new residents, Chinatown and nearby Little Italy saw crime rates rise dramatically around the mid-twentieth century. As late as 1990, the crime rate in the 5th Precinct—at nearly 13,000 crimes per 100,000 residents—was more than double the citywide average.

**Like Chinatown,
central Queens has
witnessed major
improvements
in safety along with
population shifts.**

Today, the 5th Precinct is once again a hub for immigrants from China and other nearby countries. More than half the precinct's residents were born abroad, and four of every five immigrants were born in China, Hong Kong or Taiwan. The foreign-born population expanded by 69 percent between 1990 and 2010, leading to a major increase in the precinct's total population. During that time, the crime rate also dropped precipitously, reaching 1,695 crimes per 100,000 residents—significantly below the citywide average. Precinct officers are now responsible for 70 percent more residents than they were two decades ago, but have 74 percent fewer crimes to investigate.

Chinatown is a crowded neighborhood close to the city's financial district; the stabilization of the neighborhood has helped contribute to a local real estate boom. Immigrant families tend to live in modest rental accommodation—as of 2000, the neighborhood's homeownership rate remained in the single digits. In recent years, however, the neighborhood has experienced sales of multi-million dollar condominiums, an unheard of occurrence in the 1990s.¹³

NYPD 102nd Precinct: KEW GARDENS/RICHMOND HILL/WOODHAVEN, QUEENS

As immigrants arrived in large numbers in Manhattan in the late nineteenth and early twentieth centuries, U.S.-born residents gravitated toward new developments on the outskirts of the city. One set of new developments occupied the central portion of Queens, which became part of New York City in 1898. The tracts of single-family Victorian homes were given names borrowed from suburban London, including Kew Gardens and Richmond Hill.

The area comprising the modern-day 102nd Precinct, which also includes the Woodhaven section of Queens, experienced significant change during the twentieth century. The opening of subway connections

Profiles: Neighborhoods Transformed by Immigration

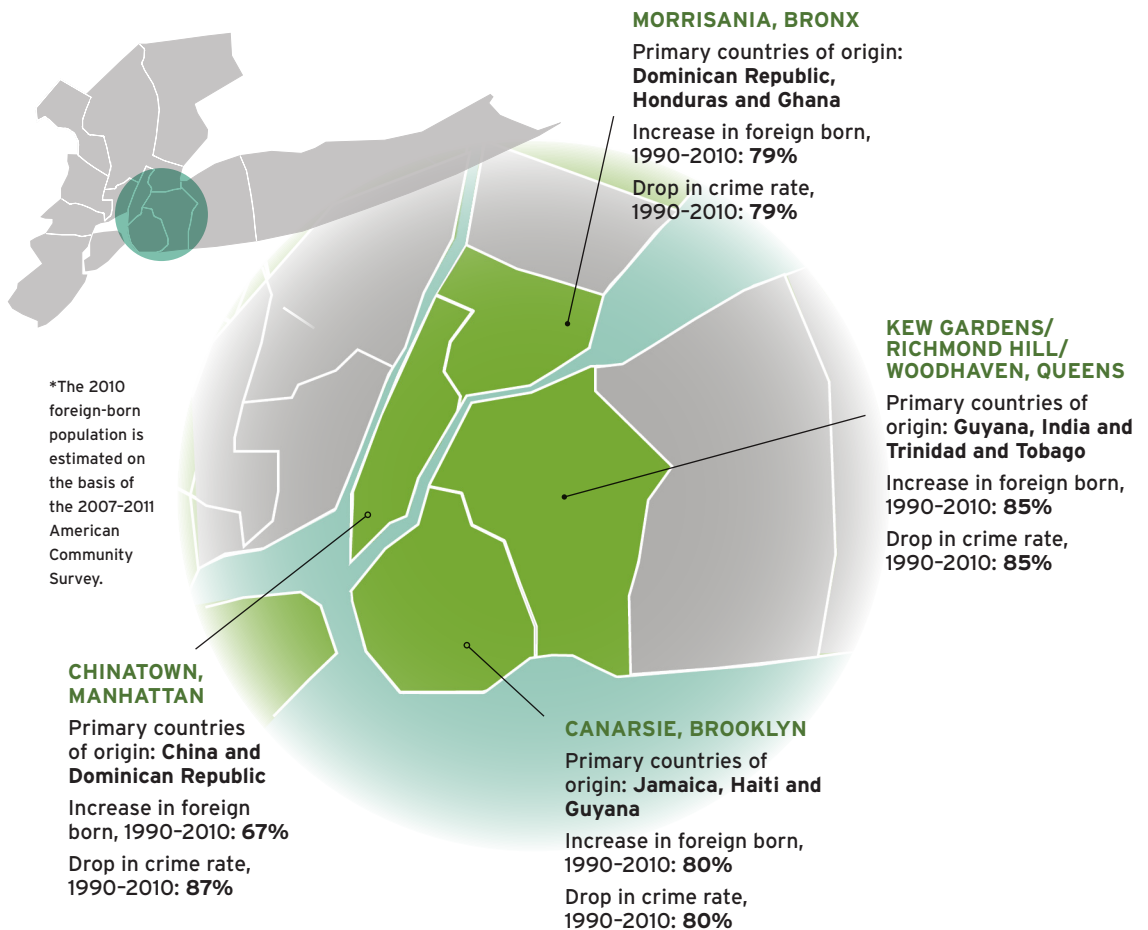
to Manhattan made the area more accessible to a wider range of residents. As the incomes of European immigrant families increased over time, they followed U.S.-born New Yorkers to the more suburban portions of the city. Eventually, this movement inspired families to leave the city altogether. Queens lost population more slowly than most other boroughs in the 1970s, but the population

was still declining. By 1990, what had been a leafy preserve far removed from urban ills looked similar to the city as a whole, with a crime rate 4 percent higher than the citywide average. The precinct's officers investigated an average of 22 crimes a day, about half of them auto thefts.

Today, immigration has radically transformed central Queens. The foreign-

Figure 4:

The Impact of Immigration on Crime Reduction in New York City, 1990-2010



born population of the 102nd Precinct more than doubled between 1990 and 2010, and immigrants now make up more than half the area's population. Unlike Chinatown, which retains a distinct ethnic character, central Queens is multinational. About 37 percent of the area's immigrant population hails from South America, with Guyana the most heavily represented country. A tenth of the precinct's immigrants were born in India, and a sixth arrived from either the Dominican Republic or Trinidad and Tobago.

Like Chinatown, central Queens has witnessed major improvements in safety along with population shifts. The crime rate now lies at half the citywide average. The neighborhood housing market is robust, yet relatively affordable, with average listing prices less than \$300,000 in Kew Gardens, compared to a citywide median sale price of \$405,000 in 2012.¹⁴ These immigrant-stabilized neighborhoods offer easy access to Manhattan at prices more along the lines of Denver or Sacramento.

NYPD 69th Precinct: CANARSIE, BROOKLYN

For much of the twentieth century, American cities witnessed a common phenomenon: white ethnic neighborhoods, populated by immigrants and their children, transitioned to African American neighborhoods during the period of rapid migration from the South between 1920 and 1965. After the Fair Housing Act of 1968 gave African American families opportunities to move from segregated neighborhoods to integrated ones, historically black neighborhoods began to depopulate—in some cities creating empty blocks of decaying, abandoned structures.

Canarsie, Brooklyn, a neighborhood adjacent to Jamaica Bay and a half-hour L-train ride from Manhattan, at one time appeared destined to follow this trajectory. Although the earliest settlement of Canarsie dates to the seventeenth century, it is a young neighborhood by New York

**Canarsie, Brooklyn,
has enjoyed
remarkable
improvements
in safety,
corresponding
with the
widespread arrival
of immigrants.**

standards, composed of single- or two-family homes constructed after World War II. At midcentury, it was populated by middle-class white families, the children of immigrants from southern and Eastern Europe.

Racial tension filtered into Canarsie in the 1970s, when the city began to bus students in from nearby neighborhoods under court order to integrate schools.¹⁵ Eventually, upwardly mobile African American families began to move in to the neighborhood from more densely populated adjacent parts of Brooklyn. As in many other neighborhoods in decades past, the population transitioned quite rapidly: from 90 percent white in 1990 to majority black a decade later. However, unlike other neighborhoods, the exodus of many longtime residents did not result in neighborhood decline.

Immigration explains the difference. The neighborhood counts 18,000 more residents today than it did in 1990. Given that the foreign-born population alone increased by 24,000 during that period, it is fair to say that the population of the neighborhood would have declined in the absence of immigration.

Today, Canarsie is home to thousands of Caribbean immigrants, who account for

Profiles: Neighborhoods Transformed by Immigration

more than 40 percent of the neighborhood's population. Born in Jamaica, Haiti, Trinidad, and nearby countries, these immigrants have transformed the culture of the neighborhood while maintaining its middle-class character. Canarsie's poverty rate and housing vacancy rates are well below the city average. At the same time, housing in Canarsie remains very affordable by citywide standards, with an average listing price per square foot of \$218 in most recent data, substantially below the Brooklyn average of \$400.¹⁶

The 69th Precinct has enjoyed remarkable improvements in safety over the past two decades, corresponding with the widespread arrival of immigrants. In 1993, police investigated an average of six auto thefts per day. By 2012, the rate of auto theft had fallen to six per month. Canarsie's crime rate was slightly above the citywide average as of 1990; by 2010 it had fallen to 44 percent below the city average.

NYPD 42nd Precinct: MORRISANIA, BRONX

Like much of the South Bronx, Morrisania was initially developed in the late nineteenth century and quickly became home to newly arrived immigrants. In the later half of the twentieth century, when the flow of immigrants slowed to a trickle, the neighborhood came to epitomize urban decay in New York.

Morrisania's population plummeted in the 1970s, in part because two rail services linking the area to Manhattan were discontinued.¹⁷ The area was visited by a series of urban plagues, from arson fires in the 1970s to the crack epidemic in the 1980s. A 1989 *New York Times* dispatch referred to abandoned buildings "loom[ing] over the streets like giant ghosts," and noted a series of grim statistics, including the area's 46 percent poverty rate—compared to 25

percent citywide. At the time, vacant lots accounted for 39 percent of the land area, and Morrisania was experiencing 94.5 AIDS deaths for every 100,000 people—compared to 40 citywide.¹⁸

Since 1990, Morrisania's population has expanded by 38 percent, driven by the arrival of more than 16,000 immigrants. Between 2000 and 2010, Morrisania was the fastest-growing community in the Bronx. The precinct is now home to nearly 9,000 Dominicans and thousands more immigrants from other parts of Latin America and the Caribbean, as well as a strong community of West Africans. The neighborhood housing vacancy rate has been pushed below the city average, as has the crime rate.

Police in the 42nd Precinct were responsible for investigating 54 murders in 1990. By 2012 the homicide count—in a significantly more populous neighborhood—had declined by 85 percent, to just eight. Morrisania remains a very affordable neighborhood by New York standards, with a price per square foot of \$195 in the second quarter of 2013.¹⁹

**Since 1990,
Morrisania's
population has
expanded by 38
percent. By 2012
the homicide
count had declined
by 85 percent,
to just eight.**

New York's Future

The renewal of immigration to the United States after 1965 helps to explain why New York was able to recover from the fiscal and population crisis of the 1970s to achieve historic highs in population and a major reduction in crime, resuming its status as a world-class city. As other metropolitan areas saw consecutive decades of decline in historic and midcentury neighborhoods, New York City saw revitalization.

In its oldest urban neighborhoods, such as Chinatown, immigration set the stage for community revitalization. In its oldest suburban communities, such as central Queens, immigrants have inherited the middle-class legacy left to wither in other parts of the country. And even in hard-hit urban areas, like Morrisania, immigration has stemmed population decline, cut vacancy rates and contributed to unprecedented improvements in safety.

New York City would be almost unrecognizable without the immigrants that have arrived in the last 30 years.

Without those immigrants, the city would be smaller today than in 1930. The 400,000 housing units built since 1980—and all the construction jobs they created—would likely not exist. The city would also be pockmarked by hundreds of thousands of vacant properties.

While this scenario may seem far-fetched, it is not too far from the fate of other large American cities that were unable to attract many immigrants during the same period. The success of the urban experiment today depends on new infusions of talent and consumers. In a place like New York City,

Without immigrants, the 400,000 housing units built since 1980—and all the construction jobs they created—would likely not exist.

which opens its doors widely to immigrants, regeneration is a constant part of daily life.

But the future of New York City—and the nation's other large cities—depends on the future of immigration in the United States. In a nation with continued and expanded authorized immigration, New York and its kindred communities will continue to serve their social and economic function, helping immigrant families transform their lives while reaping safety and economic dividends in the process.

A decline in authorized immigration would return these communities to the conditions they faced in the mid-twentieth century, with shrinking populations and tax bases making it hard for city leaders to fulfill their promises to provide good schools, public services and economic opportunity to all the city's residents—immigrant and U.S.-born alike.

Endnotes

- 1 New York Police Department crime figures include murder, rape, robbery, felony assault, burglary, grand larceny, and grand larceny auto. See endnote 11 for a description of the statistical model used for analysis.
- 2 Thomas P. DiNapoli and Kenneth B. Bleiwas, "The Role of Immigrants in the New York City Economy," 2010. www.osc.state.ny.us/osdc/rpt17-2010.pdf (accessed March 17, 2014).
- 3 Pablo A. Mitnik, Jessica Halpern-Finnerty and Matt Vidal, "Cities and Immigration: Local Policies for Immigrant-Friendly Cities," Center on Wisconsin Strategy, 2008. www.cows.org/_data/documents/1164.pdf.
- 4 See DiNapoli and Bleiwas.
- 5 Hispanic ethnicity was not recorded in the 1950 census; the 1940 census counted only 121,000 Hispanics among the city's 7.5 million residents.
- 6 Bill Sanderson, "NY Safest of All Big Cities," *New York Post*, June 3, 2009. www.nypost.com/2009/06/03/ny-safest-of-all-big-cities.
- 7 Susan Sachs, "The Census/New York; City Population Tops 8 Million in Census Count for the First Time," *The New York Times*, March 16, 2001. www.nytimes.com/2001/03/16/nyregion/census-new-york-city-population-tops-8-million-census-count-for-first-time.html.
- 8 Steven D. Levitt, "Understanding Why Crime Fell in the 1990s: Four Factors That Explain the Decline and Six that Do Not," *Journal of Economic Perspectives* 18(1) (Winter 2004) pp.163-190; Hope Corman and Naci Mocan, "Carrots, Sticks, and Broken Windows," *Journal of Law and Economics* 48(1) (April 2005) pp.235-266.
- 9 Kristin F. Butcher and Anne Morrison Piehl, "Why Are Immigrants' Incarceration Rates So Low? Evidence on Selective Immigration, Deterrence, and Deportation," Federal Reserve Bank of Chicago Working Paper, 2005.
- 10 The remaining two precincts, 105 and 106 in Queens, experienced drops between 75 and 80 percent; both precincts had below-average crime rates in 1990 and thus did not have as far to fall.
- 11 This statistic is derived from a regression model wherein the dependent variable is the change in a precinct's crime rate, defined as number of crimes in a census year divided by Census Bureau estimates of population in that precinct in that year, and the independent variable is the raw change in number of foreign-born residents in that precinct as a percent of the 1990 total population. The regression model explains about 29 percent of the variation in crime rate changes across precincts. The 29 percent statistic—a measure of how well the model fits the data—should not be confused with the projection that two-thirds of the drop in crime is attributable to immigration, which is an interpretation of the model's implications.
- 12 In more technical terms, estimates of the impact of immigration on crime trends are biased toward zero by the twin tendencies for immigrants to choose lower-crime neighborhoods and for crime to fall faster in neighborhoods with a higher initial crime rate.
- 13 Asian American Federation of New York, "Neighborhood Profile: Manhattan's Chinatown," 2004. [www.aafny.org/cic/briefs/Chinatownbrief.pdf](http://aafny.org/cic/briefs/Chinatownbrief.pdf) (accessed March 17, 2014).
- 14 "Queens Home Prices and Heat Map," Trulia, Inc., 2013. www.trulia.com/home_prices/New_York/Queens-heat_map/ (accessed March 17, 2014).
- 15 Jonathan Rieder, *Canarsie: The Jews and Italians of Brooklyn against Liberalism*, 1985, Cambridge: Harvard University Press.
- 16 "Canarsie, Brooklyn Average and Median Listing Prices," Trulia, Inc., 2013. http://www.trulia.com/real_estate/Canarsie-Brooklyn/5055/market-trends/ (accessed March 17, 2014).
- 17 "Morrisania Rezoning Proposal," New York City Department of City Planning. www.nyc.gov/html/dcp/html/morrisania/morrisania2a.shtml (accessed March 17, 2014).
- 18 Don Terry, "Campaign Stop Morrisania, The Bronx: Where Skepticism Greets Any Candidate," *The New York Times*, July 5, 1989. www.nytimes.com/1989/07/05/nyregion/campaign-stop-morrisania-the-bronx-where-skepticism-greets-any-candidate.html.
- 19 "Morrisania, Bronx Average and Median Listing Prices," Trulia, Inc., 2013. http://www.trulia.com/real_estate/Morrisania-Bronx/5179/market-trends/ (accessed March 17, 2014).