

# A PROFILE OF NEW AMERICANS IN KENTUCKY

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## Introduction

Kentucky's immigrants come from all over the world and are broadly represented throughout the state's workforce and economy. But the controversy in the U.S. around immigration reform, which often eclipses a fuller conversation about immigrants, tends to paint them as a homogenous group.<sup>1</sup> The conversation ought to reflect an informed understanding of this dynamic population, its diverse contributions to the economy and the challenges immigrants face.

Data used to build this profile come primarily from the U.S. Census Bureau's American Community Survey, which asks respondents whether they (and other household members) were born in or outside the United States, and where; if the person is a citizen of the United States; and a variety of other questions that establish demographic, social and economic characteristics of household members.<sup>2</sup> Data about unauthorized immigrants, who are one group within the immigrant population, draw from research by the Pew Hispanic Center.<sup>3</sup> The data show that in Kentucky:

- Immigrants account for just three percent of Kentucky's population, but the state's immigrant population grew at a faster rate than all but six states between 2000 and 2012.
- About 35 percent of immigrants are naturalized citizens, while the rest are temporary and permanent legal residents, refugees and unauthorized immigrants.
- Immigrants' share in the labor force, small business ownership and economic output all slightly exceed their representation in the population.
- Contrary to common assumptions, almost half of immigrants work in white-collar occupations, while less than one tenth work in farming.
- Immigrants' distribution across the educational spectrum is more top- and bottom-heavy than it is for U.S. born Kentuckians.
- Although immigrant and U.S. born Kentucky families are similarly represented across income categories, the data indicate that immigrants in the low-income category face much lower wages than U.S. born workers.
- About one in four immigrants live in poverty, compared to one in five U.S. born Kentuckians.
- Just over a third of immigrants are Hispanic, about a fourth each white and Asian/other, and less than 10 percent black.
- Citizenship status matters to immigrants' economic security.

## Population, Growth and Citizenship

In 2012, there were 134,000 immigrants in Kentucky, or 3.1 percent of the state’s 4.4 million residents.<sup>4</sup> That’s a small share compared to the U.S. as a whole where 13 percent of people are immigrants. In fact, immigrants comprise a larger share of the population in all but five states. Yet Kentucky’s immigrant population had the seventh highest percent growth of all states between 2000 and 2012 at 70 percent.<sup>5</sup> Many states in the Southeast are experiencing rapid immigrant population growth, as well.

SOUTHEASTERN STATES' IMMIGRANT POPULATION GROWING RAPIDLY					
	2000 Immigrant population	2012 Immigrant population	Immigrants as share of population, 2012	Change, 2000-2012	Percent change, 2000-2012
Alabama	88,899	162,539	3%	73,640	83%
Arkansas	72,878	127,445	4%	54,567	75%
Florida	2,666,010	3,762,732	20%	1,096,722	41%
Georgia	578,636	941,443	10%	362,807	63%
Kentucky	78,744	133,744	3%	55,000	70%
Louisiana	119,003	164,396	4%	45,393	38%
Mississippi	39,191	55,989	2%	16,858	43%
North Carolina	432,083	753,538	8%	321,455	74%
South Carolina	118,304	221,335	5%	103,031	87%
Tennessee	159,343	282,541	4%	123,198	77%
Virginia	569,787	948,152	12%	378,365	66%
West Virginia	20,643	25,607	1%	4,964	24%
U.S.	31,133,481	40,738,224	13%	9,604,743	31%

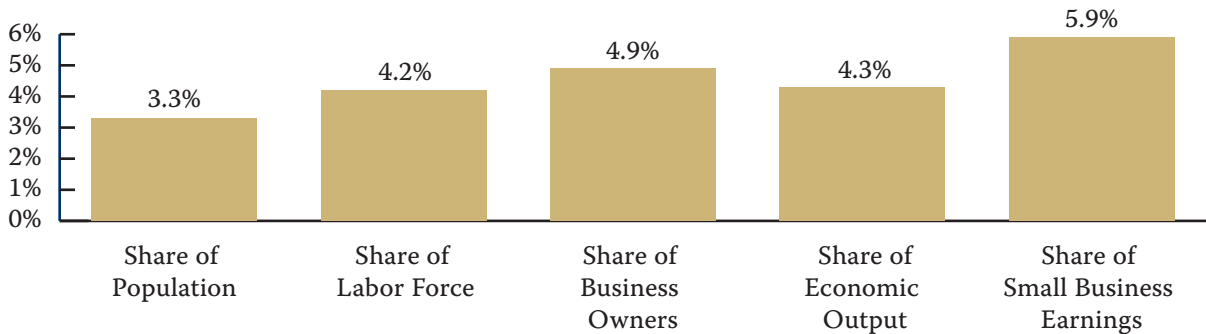
Source: Pew Research Center's Hispanic Trends Project tabulations of 2000 Census and 2012 ACS data.

According to the most recent available three-year estimates from Census data, about 35 percent of Kentucky’s immigrants are naturalized citizens.<sup>6</sup> The remaining 65 percent include immigrants with legal permanent or temporary residence, refugees and unauthorized immigrants. An analysis by the former director of the Office of Immigration Statistics at the Department of Homeland Security estimates that there were 50,000 unauthorized immigrants in Kentucky in 2010, and finds that the population grew by a factor of 10 during the nineties and 2000s.<sup>7</sup> The Pew Hispanic Center estimates that unauthorized immigrants in Kentucky numbered around 80,000 in 2010—just under two percent of the state’s population—and that 55,000 were in the labor force.<sup>8</sup>

## Economic and Labor Force Contributions

Immigrants’ economic contributions somewhat exceed their share of the state’s population. While comprising just over three percent of Kentuckians between 2009 and 2011, they accounted for more than four percent of the state’s labor force, business owners and economic output, and almost six percent of small business earnings.

KENTUCKY IMMIGRANTS' ECONOMIC AND LABOR FORCE CONTRIBUTIONS SLIGHTLY EXCEED THEIR SHARE OF THE POPULATION

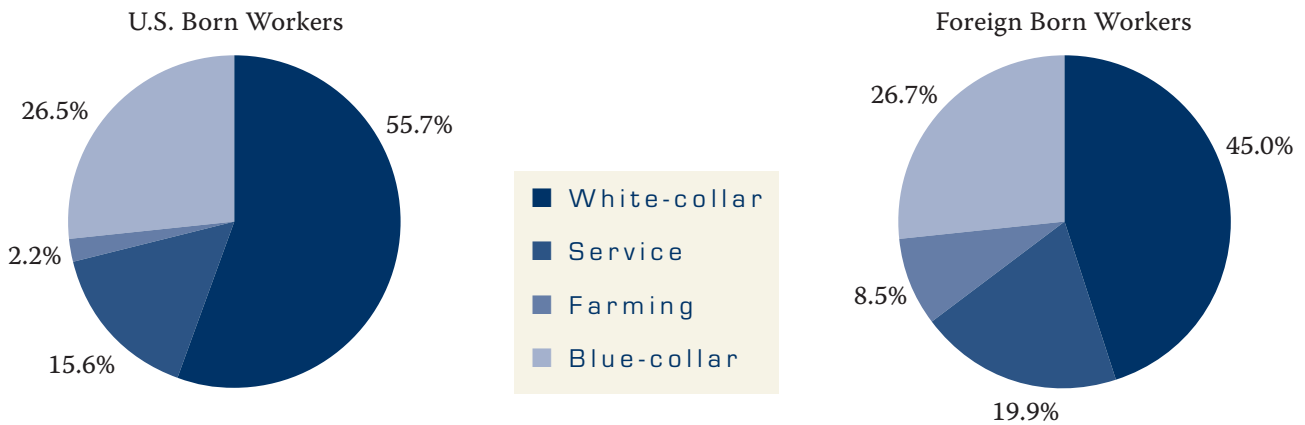


Source: Economic Policy Institute (EPI) Analysis of 2009-2011 ACS data.

Their slight overrepresentation in the workforce and the economy is largely attributable to the fact that immigrants tend to be adults who come to the states to work. In 2011, a much larger share of Kentucky immigrants were of prime working age (18-64) than the share of U.S. born Kentuckians: 79.8 percent compared to 62.5 percent.<sup>9</sup>

The jobs that immigrants do in Kentucky are diverse and spread across occupation types in somewhat similar proportion to U.S. born workers; more immigrants work in farming and service professions, and fewer in white collar jobs than U.S. born Kentuckians do, but by much slimmer margins than many people assume.

KENTUCKY IMMIGRANTS REPRESENTED ACROSS OCCUPATION TYPES



Source: Economic Policy Institute Analysis of 2007-2011 ACS data.

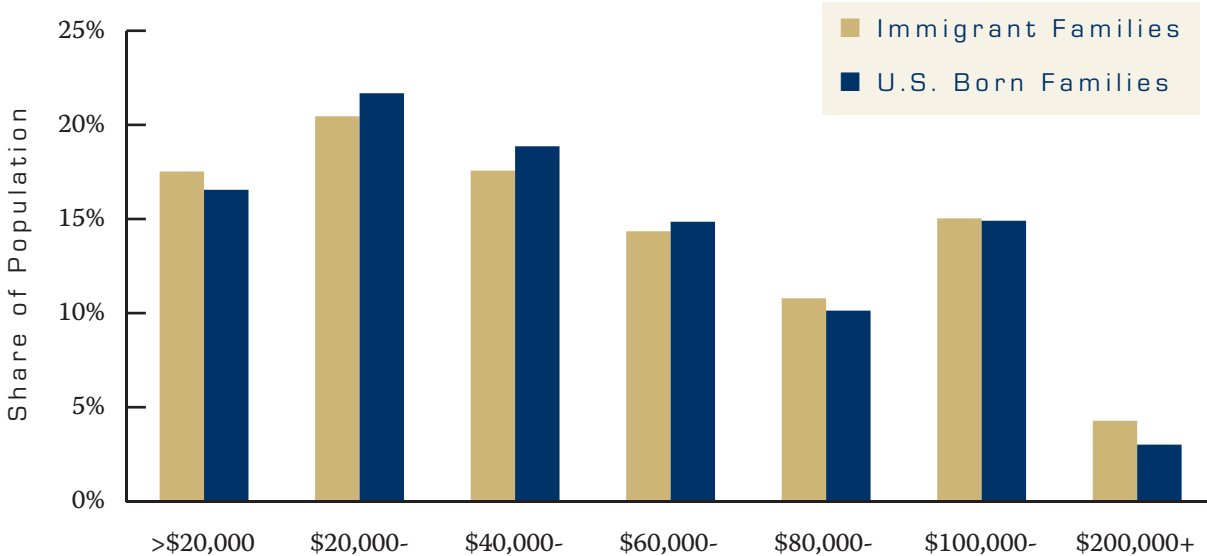
In terms of occupation groups, immigrants are over- and underrepresented in particular areas.<sup>10</sup> At 4.2 percent of the state's labor force in 2011, they comprised 13.6 percent of workers in farming and related occupations between 2007 and 2011; 10.8 percent of architects, engineers, doctors and those working in science and math; 8.8 percent of housekeepers and other personal service providers; and 7 percent of food service workers. Only 0.6 percent of lawyers were immigrants; 1.1 percent of police, firefighters or security officers; 1.7 percent of workers involved in driving and transport; and 2.0 percent of healthcare practitioners (other than doctors). Regarding specific occupations, immigrants were significantly overrepresented as farm workers, hairdressers, cosmetologists, high school and college instructors, physicians and computer software developers.

In addition to filling important roles across Kentucky’s economy, immigrants financially contribute to the state through federal, state and local taxes that support education, infrastructure and other economy-boosting public services. Naturalized and other legal immigrants pay taxes just like U.S-born citizens do, and many unauthorized immigrants pay significant payroll and income taxes through false Social Security numbers and IRS-issued “Individual Taxpayer Identification Numbers,” respectively, as well as sales and property taxes. A report from the Institute on Taxation and Economic Policy estimates that in 2010, unauthorized immigrants paid \$59 million in state and local property, sales and income taxes in Kentucky.<sup>11</sup>

## Income and Education

As with occupation types, immigrants are represented somewhat similarly to U.S. born Kentuckians across income categories.<sup>12</sup>

INCOME DISTRIBUTION FOR KENTUCKY IMMIGRANT FAMILIES  
SIMILAR TO U.S. BORN FAMILIES



Source: Economic Policy Institute Analysis of 2009-2011 ACS data.

Differences in income for immigrant and U.S. born Kentuckians are more apparent on average and at the middle: between 2009 and 2011, both the mean and median income for immigrant families was higher than it was for U.S. born families (see table). That’s partly because Kentucky’s immigrant families are larger on average than U.S. born families (3.7 compared to 3.0 members, respectively), and members are more likely to be in the labor force—for those age 16 and over, 70.8 percent of immigrants are in the labor force, compared to 59.5 percent of U.S. born Kentuckians.<sup>13</sup> For individual immigrants, mean wage and salary income was also higher than it was for U.S. born Kentuckians, by \$3,514. But because top earners skew the income mean upward, the median gives a clearer picture of how immigrants fare in Kentucky on average; median wage and salary income for immigrants was \$6,858 less than it was for U.S. born workers.

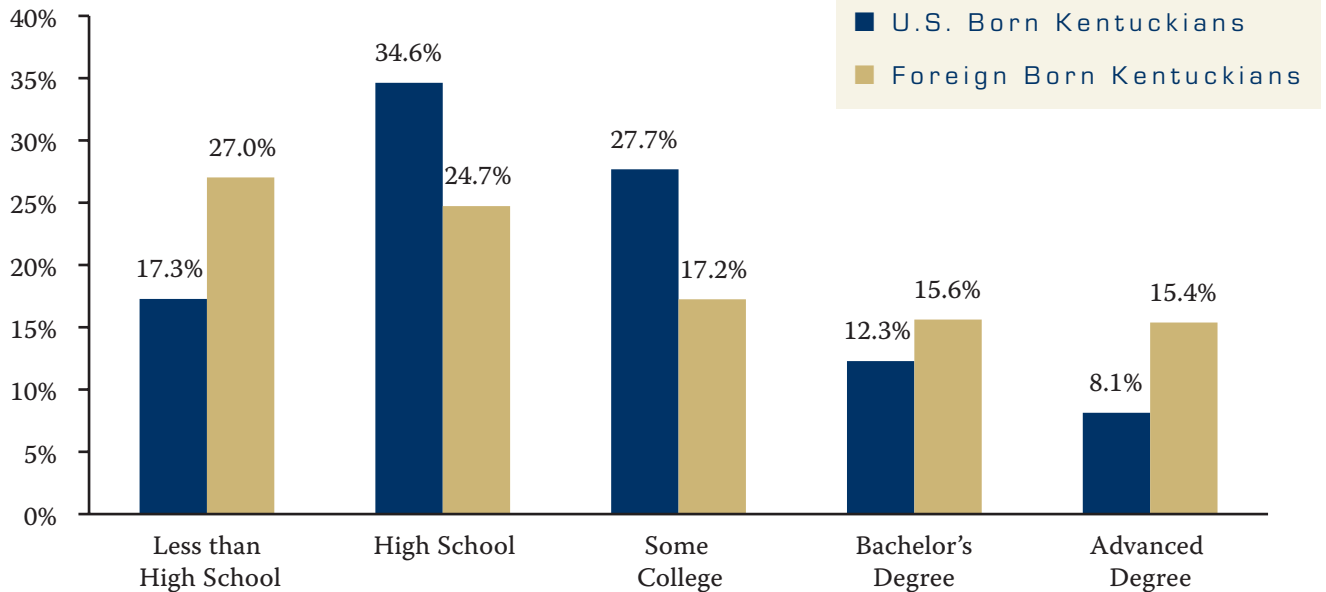
MEAN AND MEDIAN INCOME FOR FAMILIES AND INDIVIDUALS				
	Median Family Income	Mean Family Income	Median Individual Wage and Salary Income	Mean Individual Wage and Salary Income
Immigrant	\$54,228	\$70,395	\$33,000	\$52,159
U.S. Born	\$52,212	\$66,202	\$39,858	\$48,645
Difference	\$2,016	\$4,193	(\$6,858)	\$3,514

EPI Analysis of 2009-2011 ACS. All figures in 2011 dollars.

Poverty rates for the two groups provide further evidence that despite immigrants’ relatively high median family income, immigrants in Kentucky are more likely to struggle to meet basic needs; 25.0 percent of immigrants lived in poverty in 2011 compared to 19.7 percent of U.S. born Kentuckians.<sup>14</sup> Because some immigrant workers are unauthorized, they may receive wages “under the table” that are below the federal minimum wage. Also, the federal Fair Labor Standards Act (FLSA) exempts from the minimum wage farm workers, some domestic employees and other positions where immigrants may be overrepresented. Even in FLSA-protected jobs in food service and other hospitality industries—again, where immigrants are overrepresented—many tipped workers experience wage theft.<sup>15</sup> For these reasons, low-wage immigrants are likely to make less than U.S. born workers in the same category.

Education levels reinforce an emerging picture of a comparatively small middle class among Kentucky’s immigrants: the share of immigrants who have less than a high school degree, and also of immigrants with at least a bachelors’ degree, is about 10 percentage points higher than the share of U.S. born Kentuckians in these categories. And the share of immigrants with a high school degree or some college is 20 percentage points *lower* than it is for U.S. born Kentuckians.<sup>16</sup>

IMMIGRANTS BOTH MORE AND LESS EDUCATED THAN U.S. BORN KENTUCKIANS



Source: Economic Policy Institute Analysis of 2009-2011 ACS Data.

For immigrants in Kentucky with some college or less, median wages are lower than for U.S. born Kentuckians, but for immigrants with an advanced degree, median wages are higher.

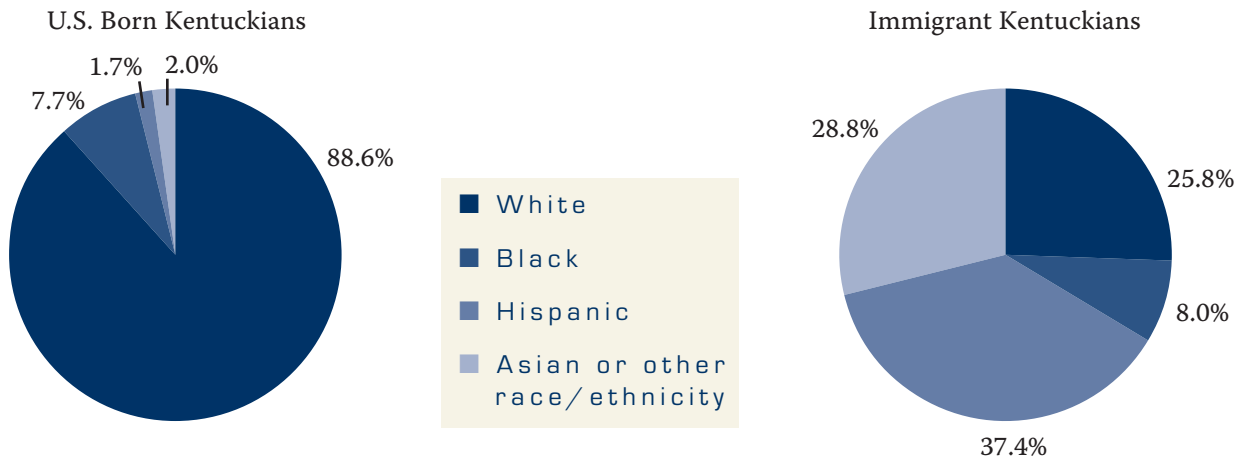
MEDIAN WAGE AND SALARY INCOME BY EDUCATION LEVELS					
	Less than High School	High School	Some College	Bachelors	Advanced Degree
Immigrant	\$20,978	\$24,765	\$30,000	\$52,444	\$74,294
U.S. Born	\$26,222	\$31,467	\$37,500	\$51,593	\$56,752
Difference	(\$5,244)	(\$6,702)	(\$7,500)	\$852	\$17,542

Source: EPI Analysis of 2009-2011 ACS Data.

## Demographics

Immigrants and foreign-born Kentuckians differ more appreciably when it comes to race and ethnicity. While almost nine out of 10 U.S. born Kentuckians are white, about one in four immigrants is; one in 50 U.S. born Kentuckians is Hispanic but about one in three immigrants is.<sup>17</sup> Yet not all Hispanic Kentuckians are immigrants; about 60 percent were born in the U.S.

### DEMOGRAPHICS OF KENTUCKIANS



Source: Economic Policy Institute Analysis of 2009-2011 ACS data.

In terms of nativity, one in five Kentucky immigrants was born in Mexico (20.4%). The next three most common places of birth—Germany (10.6%), India (4.9%), and Cuba (4.5%)—account for the next 20 percent. Following these, Kentucky’s largest populations of immigrants come from Japan, China and the Philippines.<sup>18</sup>

Of the foreign-born population, 54 percent speak English very well or speak only English.<sup>19</sup> In Kentucky’s public schools, two percent of all students (immigrant and U.S. born alike) qualify for state-funded “Limited English Proficiency” (LEP) programming, which means that they speak English less than “very well.”<sup>20</sup> Of the 116 languages these students speak at home, by far the largest share speak Spanish (57 percent).<sup>21</sup> Arabic is the second most common (four percent), and Chinese, Bosnian, Japanese, Mandarin Chinese and Mai Mai tie for third (two percent each).

While immigrants make up about three percent of Kentucky’s population overall, their share in the state’s three largest cities is higher: in Louisville/Jefferson County, 4.9 percent; Lexington-Fayette, 6.8 percent; and in Bowling Green, 6.9 percent.<sup>22</sup>



Combined, these three cities are home to 74 percent of the immigrants living in Kentucky. Immigrants in Louisville compared to Lexington are more likely to have been born in Europe and Africa and less likely to have been born in Latin America.<sup>23</sup>

## Citizenship Status

Census data show that naturalized immigrants—foreign born people who have become U.S. citizens—are economically better off than non-citizen immigrants (legal residents, refugees and unauthorized immigrants). For instance, the poverty rate in Kentucky for citizen immigrants is 12 percent and for non-citizen immigrants, 32 percent (for all immigrants, 25 percent).<sup>24</sup>

A fuller statistical analysis that holds all else equal—age, number of years in the U.S. and other factors that affect economic security—is necessary to estimate the exact size of the effect of citizenship in Kentucky. However, a 2010 national study by the Economic Policy Institute finds that when demographic factors are held constant, the average family income for naturalized immigrants is 14.6 percent higher than for non-citizen immigrants, and the poverty rate is three percentage points lower.<sup>25</sup>

## Implications

The data show that immigrants' contributions to Kentucky are substantial and diverse, and also that citizenship status plays a role in their economic security. A pathway to citizenship could benefit immigrants—and by extension, the communities and economies in which they live and work—in many ways:

- Citizenship provides immigrants with access to public sector jobs and government-issued licenses and certifications, and better access to a fuller range of private sector jobs (for example, those that require international travel), higher education and financial aid options, bank loans, job training programs and more—thus increasing their earning power.<sup>26</sup>
- Legal status and citizenship through immigration reform would ensure a higher return on investments in human capital, further incentivizing immigrants to pursue education, English proficiency and job training, for example. Better educated and trained workers not only earn more, but they also increase economic productivity.<sup>27</sup>
- Immigration reform would make it harder for employers to pay illegal wages to immigrant workers, leveling the playing field for competitors who already play by the rules.<sup>28</sup> Competition driven by innovation—rather than unauthorized immigrants' lack of power in the workplace—is fundamental to economic health.
- Greater bargaining power, returns on investments, and access to capital-building opportunities all increase immigrants' earning power and spending, which helps the whole economy. An analysis by the Center for American Progress and Immigration Policy Center estimates that nationwide, the extra consumer spending that would result from comprehensive immigration reform could support as many as 900,000 jobs.<sup>29</sup>
- Also, with more income and fully legal channels through which to pay income taxes, immigrants will pay more taxes. A report from the Institute on Taxation and Economic Policy estimates that immigration

reform would generate an additional \$23.2 million in state and local tax revenue in Kentucky each year.<sup>30</sup> Reform would also bring taxes and public spending into better alignment: immigrants would be eligible for benefits they support with their tax dollars.<sup>31</sup>

- A pathway to citizenship could also benefit the economy by increasing population growth in the face of declining birth rates among U.S. born women, and by allowing the full legal expression of immigrants' higher rates of entrepreneurship to spur innovation and productivity.<sup>32</sup>

## Conclusion

Immigrants in Kentucky perform a wide and important range of jobs, contribute to public services, and refresh our state with the new perspectives and outlooks that have always been important to America's identity. It's crucial for the nation to grapple with immigration reform in order to give those Kentuckians a fuller chance at a better life.

## Endnotes

- <sup>1</sup> The term “immigrant” refers to people who live but were not born in the U.S. (or a U.S. territory) and includes naturalized citizens, legal residents and unauthorized immigrants.
- <sup>2</sup> U.S. Department of Commerce, “The American Community Survey,” U.S. Census Bureau, <http://www.census.gov/acs/www/Downloads/questionnaires/2014/Quest14.pdf>. Primary statistical analysis of the data comes from the [Economic Policy Institute](#), and the basic profile format from New York’s [Fiscal Policy Institute](#).
- <sup>3</sup> Pew Research Hispanic Trends Project, <http://www.pewhispanic.org/>.
- <sup>4</sup> Anna Brown and Eileen Patten, “Statistical Portrait of the Foreign-born Population in the United States, 2012,” PEW Hispanic Center, <http://www.pewhispanic.org/2014/04/29/statistical-portrait-of-the-foreign-born-population-in-the-united-states-2012/>.
- <sup>5</sup> Anna Brown and Eileen Patten, “Statistical Portrait of the Foreign-born Population in the United States, 2012.”
- <sup>6</sup> U.S. Census Bureau, “American Fact Finder,” ACS 2010-2012, generated by Anna Baumann, May 15, 2014, <http://factfinder2.census.gov>.
- <sup>7</sup> Robert Warren and John Robert Warren, “Unauthorized Immigration to the United States: Annual Estimates and Components of Change, by State, 1990 to 2010,” *International Migration Review*, 47(2), June 2013. Estimates are based on data from the U.S. Census on the number of total immigrants in Kentucky, from the Department of Homeland Security on legal residents, and from the Office of Refugee Resettlement on refugees and asylees. The net change in unauthorized immigrants decreased in the early 2000s after the bombing of the World Trade Center (both the number of unauthorized immigrants entering Kentucky dipped and the number leaving Kentucky grew). The Great Recession had a similar, but less lasting impact on Kentucky’s unauthorized immigrant population. Deportations were at a 15 year high—166 removals—in Kentucky in 2009.
- <sup>8</sup> Because Census surveys do not ask whether immigrants are authorized or unauthorized, this profile does not attempt to further describe unauthorized immigrants as a distinct group, but rather to include them in the overall portrait of immigrants and their contributions to Kentucky. The Pew Hispanic Center’s work on the demographics of unauthorized immigrants uses proxies for legal status that are outside the scope of this piece. Pew Research Center, “Unauthorized Immigrants: How Pew Research Counts Them and What We Know About Them,” April 17, 2013, <http://www.pewresearch.org/2013/04/17/unauthorized-immigrants-how-pew-research-counts-them-and-what-we-know-about-them/>.
- <sup>9</sup> Economic Policy Institute analysis of 2011 ACS data.
- <sup>10</sup> Economic Policy Institute analysis of 2007-2011 ACS data.
- <sup>11</sup> Institute on Taxation and Economic Policy, “Undocumented Immigrants’ State and Local Tax Contributions,” July 2013, Washington DC, <http://www.itpe.org/pdf/undocumentedtaxes.pdf>.
- <sup>12</sup> Economic Policy Institute Analysis of 2009-2011 ACS data. Immigrant families are defined as “families with at least one foreign-born member who is 18 years of age or older.”
- <sup>13</sup> U.S. Census Bureau, “American Fact Finder,” ACS 2010-2012.
- <sup>14</sup> Economic Policy Institute analysis of 2011 ACS data.
- <sup>15</sup> Immigrant workers are more than twice as likely as U.S. born workers to experience violations of minimum wage laws. They also experience greater barriers to reporting abuse. National Employment Law Project, “Winning Wage Justice: An Advocate’s Guide to State and City Policies to Fight Wage Theft,” January 2011, <http://www.nelp.org/page/-/Justice/2011/WinningWageJustice2011.pdf?nocdn=1>.
- <sup>16</sup> Economic Policy Institute Analysis of 2009-2011 ACS data.
- <sup>17</sup> Economic Policy Institute Analysis of 2009-2011 ACS data.
- <sup>18</sup> Economic Policy Institute Analysis of 2009-2011 ACS data.
- <sup>19</sup> U.S. Census Bureau, “American Fact Finder,” ACS 2010-2012.
- <sup>20</sup> Marcia Ford Seiler, Al Alexander, Ken Chilton, et al, “Kentucky District Data Profiles School Year 2010,” Legislative Research Commission, June 2013, <http://www.lrc.ky.gov/lrcpubs/RR382.pdf>.
- <sup>21</sup> Kentucky Department of Education, “Kentucky Education Facts,” Published January 9, 2013, <http://education.ky.gov/comm/edfacts/Pages/default.aspx>.
- <sup>22</sup> U.S. Census Bureau, “American Fact Finder,” ACS 2010-2012.
- <sup>23</sup> The ACS sample size of immigrants living in Bowling Green is insufficient to generate reliable data on nativity.
- <sup>24</sup> U.S. Census Bureau, “American Fact Finder,” ACS 2010-2012.
- <sup>25</sup> Heidi Shierholz, “The Effects of Citizenship on Family Income and Poverty,” Economic Policy Institute, 2010, [https://docs.google.com/viewer?url=http://www.epi.org/page/-/bp256/bp256.pdf&hl=en\\_US&chrome=true](https://docs.google.com/viewer?url=http://www.epi.org/page/-/bp256/bp256.pdf&hl=en_US&chrome=true).
- <sup>26</sup> David Kallick, “Three Ways Immigration Reform Would Make the Economy More Productive,” Fiscal Policy Institute, June 2013, <http://fiscalpolicy.org/wp-content/uploads/2013/06/3-ways-reform-would-improve-productivity.pdf>.
- <sup>27</sup> David Kallick, “Three Ways Immigration Reform Would Make the Economy More Productive.”
- <sup>28</sup> David Kallick, “Three Ways Immigration Reform Would Make the Economy More Productive.”
- <sup>29</sup> Raul Hinojosa-Ojeda, “Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform,” Center for American Progress, American Immigration Council, January 2012, <http://www.americanprogress.org/wp-content/uploads/2012/09/immigrationeconreport3.pdf>.
- <sup>30</sup> Institute on Taxation and Economic Policy, “Undocumented Immigrants’ State and Local Tax Contributions.”
- <sup>31</sup> David Kallick, “Three Ways Immigration Reform Would Make the Economy More Productive.”
- <sup>32</sup> Douglas Holtz-Eakin, “Immigration Reform, Economic Growth, and the Fiscal Challenge,” American Action Forum, April 2013, <http://americanactionforum.org/sites/default/files/Immigration%20and%20the%20Economy%20and%20Budget.pdf>.

