

Study: Immigrants here illegally contribute \$40B to NY economy

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- Findings say unauthorized immigrants make up 5 percent of state's workers
- Overall number on LI is pegged at 111,000 of about 817,000 statewide

Immigrants living illegally in New York contribute an estimated \$40 billion a year to the state's economic output and pay \$1.1 billion in state and local taxes, a new analysis says.

The findings by the Fiscal Policy Institute, a progressive nonprofit in Manhattan, point to the wide-ranging impact of that labor force, as unauthorized immigrants make up 5 percent of workers and carry a share of the state's tax burden, said David Dyssegaard Kallick, the institute's director of immigration research.

The number of unauthorized immigrants is pegged at 111,000 on Long Island and 575,000 in New York City, out of about 817,000 statewide who lack legal status.

"Undocumented immigrants are working across a wider range of industries and occupations than people generally recognize," Kallick said. "People often have the misconception that undocumented immigrants don't pay taxes, but they pay sales taxes, property taxes . . . and about half file income tax returns."

The report highlights those contributions as immigrants in the country illegally become the target of immigration enforcement policies under President Donald Trump, who has issued executive orders followed by directives to expand the net of deportations.

The report uses U.S. Census data and applies assumptions from studies on the rate at which the unauthorized immigrant population pays sales taxes, registers to pay income taxes and owns property. The data are part of a national analysis compiled by the Institute on Taxation and Economic Policy, a research organization on tax matters in Washington, D.C.

The \$40 billion that those workers are estimated to contribute are part of a gross domestic product of \$1.3 trillion for all of New York, the Fiscal Policy Institute said.

The study said immigrants without legal status paid 8.9 percent of income to taxes, compared with about 12 percent for taxpayers making an average of \$46,300 in 2013.

The national tax study estimates that immigrants here illegally would pay an additional \$247 million in taxes in New York alone if granted legal status. Nationally, immigrants here illegally are estimated to pay an annual \$11.7 billion in state and local taxes.

However, those workers consume tax-funded services, said Steven Camarota, research director of the Center for Immigration Studies, a group in Washington, D.C., that backs restrictive immigration policies.

Camarota cited a 2016 National Academies of Science, Engineering, and Medicine study, which concluded that each first-generation immigrant in New York costs \$1,500 more in expenditures than he or she contributes in state and local taxes, even as those losses are offset by second- and third generations. Immigrants here illegally contribute less, Camarota said, as a lower level of education means they are paid smaller wages.

“They don’t make very much so they don’t pay much in taxes,” he said. “There is no question illegal immigration adds to the size of the U.S. economy . . . but the aggregate size of the economy is not a measure of its well-being.”

Martin Cantor, who directs the Long Island Center for Socio-Economic Policy, a Melville-based consultancy, was skeptical of the estimates, saying he does not believe the dollar impact of those immigrants in the underground economy can be accurately measured.

“Those folks who are undocumented, let’s say they work for gardeners on Long Island, landscapers, so they get their cash. A lot of them send their money home to where they came from. In effect, it’s like transfer payments that are not taxed,” Cantor said.

He agreed with the report, however, in that he doesn’t consider deportation the right policy for those who have grown roots here or are young immigrants.

“We have to get back to the idea to create a mechanism so they can apply for legal residency,” Cantor said, “and file their taxes regularly” as do other workers.