



A Profile of Immigrants in Arkansas

Report Summary

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This report summarizes three volumes commissioned by the Winthrop Rockefeller Foundation to analyze and better understand the population of immigrants and Marshall Islanders in Arkansas — and trace their evolution in size, diversity, and economic involvement in the life of the state.



A Profile of Immigrants in Arkansas

is a three-volume study of demographic characteristics of the state's immigrant population, their economic and fiscal costs, and the state's Marshallese community. Volume 1, *Changing Workforce and Family Demographics*, provides a demographic and socioeconomic profile of immigrants and their children, including a description of immigrant workers in the Arkansas economy. Volume 2, *A Profile of Immigrants in Arkansas: Economic and Fiscal Benefits and Costs*, presents an analysis of immigrants' impact on the Arkansas economy and on state and local budgets. Volume 3, *A Profile of the Marshallese Community in Arkansas*, focuses on Marshall Islanders — a group that is important to Arkansas but inadequately described in national Census Bureau surveys. (Marshallese individuals are admitted to the United States to live, work, and study as nonimmigrants, and generally do not have a path to permanent residency or citizenship. Since they are not considered “immigrants,” we do not use this term to describe them in the reports' three volumes.) These volumes build upon a previous study of the Arkansas immigrant population commissioned and published by the Foundation in 2007.

Arkansas ranked fourth among the states in immigrant population growth from 2000 through 2010, with the foreign-born population increasing by 82 percent.



This new research describes the current and future roles of immigrants and their children in the Arkansas economy. Despite the fact that immigrants currently make up a small share of the total Arkansas population, they make up significant shares of workers in major industries such as manufacturing, construction, and agriculture, where they contribute to the state's economic competitiveness and tax base. The children of immigrants, who are overwhelmingly born in the United States, comprise a large share of the state's total child population and are thus important to future population growth. These mostly citizen children (more than 80 percent were born in the United States) will age into the labor force in large numbers regardless of whether future immigration flows rise or decline. Investments in these, and indeed all, children represent an investment in the future of Arkansas.

The findings of these reports are best understood against the backdrop of slowing national and state economies, the recent involvement of state and local police in enforcing immigration laws — particularly in Northwest Arkansas — and the lengthening time span of immigrants' residence in the state. Arkansas remains a relatively poor state, with incomes below the national average, but the state has experienced comparatively strong employment and economic growth since the recession. At the same time, immigrants remain a small share of the total Arkansas population: approximately 5 percent, as compared to 13 percent of the overall US population.

The findings in Volume 1 are based on Migration Policy Institute (MPI) analysis of data from the US Census Bureau's American Community Survey (ACS) for 2010, which was the most recent year available at the time of the report's writing, with trend analysis going back to the 1990 and 2000 censuses. Data from the Arkansas Department of Education and the Arkansas Department of Health are also employed. Volume 2's findings, by University of North Carolina at Chapel Hill researchers, are based on analysis of 2010 Census data, adjusted to reflect the immigrant population using ACS data. Volume 2's methodology employs the Impacts for Planning (IMPLAN) model to generate economic impact analysis as well as data from federal, state, and local government sources to estimate revenues and expenditures associated with immigrants and their families. The findings in Volume 3 are based on a survey of 120 Marshallese adults conducted in Springdale by a researcher from the University of Arkansas during 2012. An advisory group of state and local experts from the public, nonprofit, and private sectors convened by the Winthrop Rockefeller Foundation provided guidance and context for the research and findings. Please see the individual volumes for citations and sources of data information in this summary report.

To read the three volumes of *A Profile of Immigrants in Arkansas* commissioned by the Winthrop Rockefeller Foundation that analyze the population of immigrants and Marshall Islanders in Arkansas, visit www.wrfoundation.org.



II. SUMMARY OF FINDINGS

Following are key findings from the three volumes, which can be read in their entirety at www.wrfoundation.org.

Immigrants are integrating into Arkansas communities and the economy, just as prior generations of immigrants have done.

- The length of settlement for Arkansas immigrants is expanding: In 2010, 57 percent had lived in Arkansas or elsewhere in the United States for 10 years or more, compared with 51 percent in 2000.
- Immigrants represented approximately 7 percent of Arkansas workers in 2010, versus approximately 5 percent of the state's total population.
- Latino immigrant men had the highest employment rate of any immigrant or native-born group: 88 percent.
- Half of Latino immigrants and two-thirds of non-Latino immigrants owned their own homes. Arkansas's immigrants are just as likely to own homes as immigrants nationally, despite lower incomes.
- The relatively strong economy and low cost of living in Arkansas continue to attract immigrants and facilitate their integration into the state. In 2010, Arkansas had an unemployment rate of 8 percent versus 10 percent nationally, while the average value of a house in Arkansas was \$105,000 versus \$188,000 nationally.

Arkansas, like other states, is facing an aging native-born population; immigration can rejuvenate the state's population and support future workforce growth.

- Two-thirds of Arkansas's immigrants are from Latin America, and Latinos (including immigrants and their children) are the state's fastest-growing demographic group. The Latino immigrant share of workers doubled from 2 to 4 percent from 2000 through 2010.
- The non-Hispanic white population is aging, with the most rapid growth occurring in the population over age 45. Retirement of non-Hispanic white Arkansas workers will accelerate with the aging of baby boomers, who are now mostly ages 45 to 65.
- From 2000 through 2010, the number of Latino children (including both children of immigrants and children of natives) grew by 38,000, while the number

II. SUMMARY OF FINDINGS

of non-Hispanic white children fell by 23,000. The number of Asian and African American children grew modestly.

- Latino immigrants and their mostly US-born children form a growing share of the Arkansas population, making them potential key contributors to Arkansas's future workforce and economic growth.

Children of immigrants were 10 percent of Arkansas children in 2010, versus 5 percent in 2000.

Immigrants have a large economic impact on the Arkansas economy through their productivity as workers and their spending as consumers.

- Arkansas immigrants had an estimated total after-tax income of \$4.3 billion in 2010 (compared to the Arkansas total of \$96 billion in personal income and \$103 billion state gross domestic product). Approximately 16 percent of this after-tax income was sent home to families abroad, saved, or used for interest payments. The total economic impact of the remaining immigrant consumer spending on the Arkansas economy was \$3.9 billion.
- The economic impact was heavily concentrated in Little Rock (Pulaski County) and Northwest Arkansas (Benton, Washington, and Sebastian counties), but six other counties (Saline, Faulkner, Garland, Craighead, Lonoke, and Pope) also had immigrant populations with at least \$65 million in consumer buying power.
- The economic contribution of immigrants has grown considerably since 2004, when their total impact was just \$2.9 billion — and should continue to grow as immigrants and their children increase their share of the state's total population and workforce.

Immigrants contribute to key industries in the Arkansas economy, particularly manufacturing, construction, and agriculture.

- Immigrants from all origins comprised 13 percent of manufacturing workers in the 2008–10 period, with about half of immigrants employed in poultry and other animal-processing jobs.
- Manufacturing has been shedding employees since the mid-1990s, and the share of immigrant workers in the industry is rising. From 2000 through 2008–10, the number of US-born manufacturing workers fell by 50,000 while the number of immigrant workers in the industry rose by 4,000.

- Construction experienced the most dramatic increase in employment from 2000 through 2008–10, with the foreign-born share of workers rising from 2 to 16 percent.
- Immigrants were 9 percent of agricultural workers in the 2008–10 period, not including a few thousand migrant workers who typically are not counted in the Census Bureau data.
- Large numbers of immigrants are also employed in some high-skilled occupations; 17 percent of physicians and surgeons were foreign-born during the 2006–10 period. Latino immigrants, however, are a small share of workers in these high-skilled occupations.
- Immigrant employment in manufacturing, construction, and health-care has held up well despite the recession, as the numbers of immigrants in all three industries remained steady or rose from 2005–06 through 2008–10.
- Immigrant labor generated wage savings of \$74 million in construction, \$52 million in manufacturing, and \$21 million in professional services. These wage savings increased the competitiveness of Arkansas businesses and were passed on to consumers in the form of lower prices.
- The economic impact of immigrants spills over to industries across the state. For example, immigrants enhance the competitiveness of Arkansas’s poultry processing plants, which in turn generates demand for chickens and for feed to grow chickens on Arkansas farms.

Immigrants also have a significant fiscal impact on the Arkansas state government, but this fiscal impact is lower than their overall economic impact.

- In 2010, immigrants contributed \$524 million in income, sales, property, small business, and other taxes to the Arkansas state government. This total includes taxes paid directly by immigrants, as well as indirect taxes paid by natives and by businesses that were generated by immigrants’ economic activity.
- State fiscal expenditures on immigrant households totaled \$555 million, including education, health-care, and corrections.

II. SUMMARY OF FINDINGS

- Net state expenditures were \$31 million — approximately \$127 per immigrant household member in Arkansas.
- The statewide economic impact is different from the fiscal impact. Subtracting the cost of essential services (\$555 million) from immigrants' combined consumer expenditures and tax contributions (\$3.9 billion) yielded a net economic benefit to the state of \$3.4 billion in 2010.
- On a per capita basis, immigrants' contributions (\$16,300) exceeded the fiscal cost of essential services (\$2,300) by \$13,900. That is, immigrants generated \$7 in business revenue and tax contributions for every \$1 the state spent on services to immigrant households — K–12 education, health-care, and corrections — in 2010.

Most of the state spending on immigrants is for investments in their children, who represent a significant share of the state's future workforce.

- The largest expenditure in 2010 was public K–12 education for immigrants' children, a large majority of whom are US-born citizens.
- Children of immigrants were 10 percent of Arkansas children in 2010, versus 5 percent in 2000. Their share will continue to grow rapidly due to immigration and the relatively low birth rates among the US-born population, particularly white natives.
- During the 2010–11 school year, Latinos were 10 percent of all Arkansas students in public K–12 schools — about half the enrollment of African Americans.

Despite rapid recent growth, the number of immigrants in Arkansas is relatively modest compared to the number in other states.

- In 2010, immigrants represented approximately 5 percent of the state's population, a much smaller share than the national average of 13 percent.
- Unauthorized immigrants represented 42 percent of all immigrants in Arkansas and 2 percent of the total state population.
- Arkansas ranked fourth among the states in immigrant population growth from 2000 through 2010, with the foreign-born population increasing by 82 percent.

- Immigration to Arkansas has slowed just as it has nationally, but the 11 percent growth in the Arkansas foreign-born population since the recession (i.e., from 2007 through 2010) is about double the growth experienced nationwide (5 percent). Most other Southeastern states also continued to experience relatively strong immigrant population growth after 2007.

Immigrants are heavily concentrated in the urban areas of Northwest Arkansas and Little Rock, and these areas receive the largest immigrant economic contributions.

- In 2010, 44 percent of immigrants lived in the three Northwest counties of Benton, Washington, and Sebastian — an area that spans Rogers, Springdale, Fayetteville, and Fort Smith. Another 17 percent lived in Pulaski County, where Little Rock is located.



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II. SUMMARY OF FINDINGS

- Foreign-born populations continue to grow substantially in most Northwest and Western Arkansas counties, except for recent slowdowns in Benton and Sebastian counties.
- A handful of rural communities in Western Arkansas — led by Yell and Sevier counties — have significant immigrant populations; the foreign-born share of the population is under 2 percent in the vast majority of Southern and Eastern counties.
- The presence of so many immigrants has supported population and workforce growth in Little Rock and Northwest Arkansas, where the economy has been relatively healthy. It is likely that the absence of immigrants in most parts of rural Arkansas means that populations there are aging more rapidly, potentially limiting future economic growth and government revenues.

After Hawaii, Arkansas has the second-largest Marshallese population outside the Republic of the Marshall Islands.

- According to the 2010 Census, 19 percent of all Marshall Islanders in the United States lived in Arkansas (4,300 out of 22,400), up from 2,600 in the 2000 Census.
- Eighty-eight percent of the Marshall Islanders in Arkansas lived in Washington County, with the vast majority living in Springdale.
- The Marshallese population has been drawn to Arkansas primarily by employment and educational opportunities, as well as migration networks that started in the late 1980s. Half of the Marshallese survey respondents rated the Arkansas job market as good.
- The largest employer of the Marshallese community in Springdale is the poultry industry, with about three-quarters employed by Tyson Foods, George's, and Butterball.
- Under the Compact of Free Association between the US and Marshallese governments, Marshall Islanders can travel and work in the United States without visas.
- Very few Marshallese individuals, however, are permanent residents or citizens, because the US government considers them visitors and not immigrants; they must apply for legal permanent residency on the same terms as people of other nationalities.

- Marshall Islanders, like Latino immigrants, are largely a young, working population that also will contribute to future population and workforce growth.

Latino immigrants and Marshall Islanders face similar economic challenges as other low-income working populations in Arkansas.

- During the 2008–10 period, Latino immigrants had a median household income of \$33,000, above the median for African Americans (\$25,000), but below the median for US-born whites and Asians (\$42,000).
- The poverty rate for Latino immigrants was 30 percent, lower than for African Americans, but much higher than for non-Hispanic whites and Asians. Poverty rose by 1 to 3 percentage points for all groups from 2000 through 2008–10.
- Nearly one-quarter of Latino immigrants lived in crowded housing (defined by the Census Bureau as more than one person per room — including bedrooms and all other rooms except bathrooms), a far higher rate than for any other group.
- Sixty-three percent of Latino immigrants under age 65 had no health insurance, a figure that is far higher than for African Americans and US-born Latinos — both groups with high rates of public coverage through Medicaid and the Children’s Health Insurance Program (CHIP), known in Arkansas as ARKids First. Sixty-three percent of the Marshallese survey respondents had health insurance, mostly through their employers.
- Field research suggests that the Marshallese community faces similar employment prospects, neighborhood conditions, living standards, and needs for health-care and other services to those experienced by the Latino immigrant population.
- As a result of the common socioeconomic conditions they confront, Latino immigrants, Marshallese individuals, US-born Latinos, and African Americans should benefit from similar work support, housing, and poverty-reduction strategies.

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- Phyllis Poche, Director, Census State Data Center, University of Arkansas at Little Rock
- Frank Head, Director, Catholic Charities Immigration Services–Springdale, Diocese of Little Rock
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