New Americans in Greater Salem

The Demographic and Economic Contributions of Immigrants¹ in Beverly, Danvers, Peabody, and Salem²

OCTOBER 2023





Population

16,600

the number of immigrants living in Greater Salem, Massachusetts, in 2019.³

Immigrants made up

.0%

of the total population of the region in 2019.

Demographics

2019, the total population of the region increased by

Between 2014 and

2.6%

The immigrant population increased by

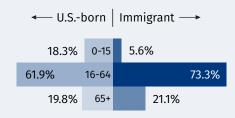
+2.7% during the same time period.

In the region, immigrants were

18.4%

more likely to be of working age than their U.S.-born counterparts, allowing them to actively participate in the labor force and contribute to the economy as taxpayers and consumers.4

Shares of population by age:⁵



10.5%

of the total population growth in the region was attributable to immigrants.



- Estimates provided 1. in this report may slightly undercount the immigrant population. The American Community Survey historically undersamples the immigrant population, especially among lower income, more recently arrived, and less English-fluent immigrant populations.
- 2. Unless otherwise specified, data comes from 5-year samples of the American Community Survey from 2014 and 2019 and figures refer to the cities of Beverly. Danvers, Peabody, and Salem. Massachusetts.
- 3. We define "immigrant" as any non-citizen or any naturalized U.S. citizen. They include naturalized citizens, green card holders, temporary visa holders, refugees, asylees, and undocumented immigrants, among others
- We define working age 4. as 16-64 years of age.
- 5. Totals may not add up to 100 percent due to rounding.

4.8%

of households in Greater Salem in 2019 had at least one immigrant.

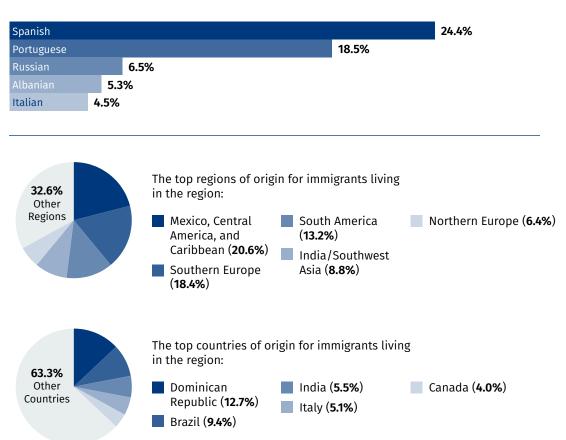


of immigrants in Greater Salem were recent arrivals, with five years of residency in the United States or less, meaning



of immigrants in the region had resided in the United States for more than five years.

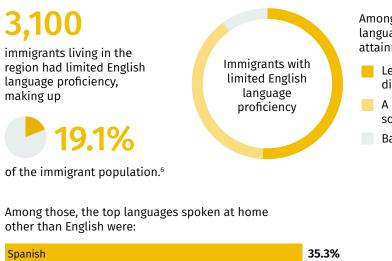
Demographics



The top languages spoken at home other than English among immigrants:

Immigrants with Limited English Language Proficiency

26.5%



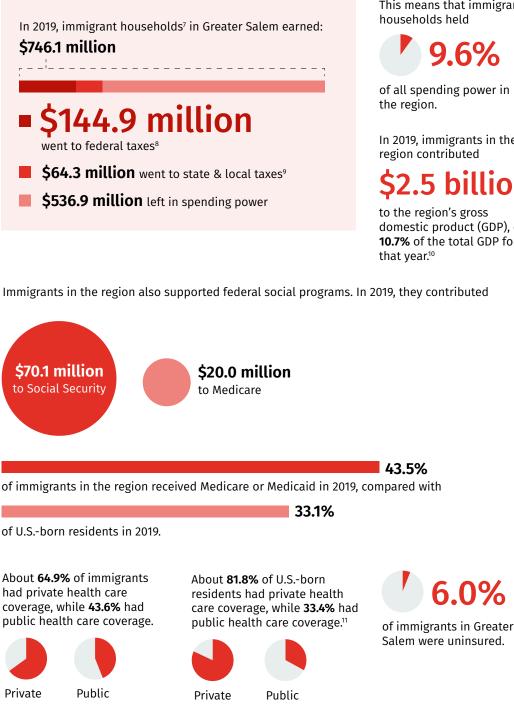
Portuguese

Among those with limited English language proficiency, educational attainment was as follows:

- Less than a high-school diploma **50.8%**
- A high-school diploma or some college **38.6%**
- Bachelor's degree 10.6%
- For the purpose of this report, we define people with limited English language proficiency as those who do not speak English at all or do not speak English well.

Spending Power and Tax Contributions

Immigrants paid a significant amount in federal, state, and local taxes, including property, sales, and excise taxes levied by state and local governments.



This means that immigrant households held

9.6%

of all spending power in the region.

In 2019, immigrants in the region contributed

.5 billion

to the region's gross domestic product (GDP), or 10.7% of the total GDP for that year.10

6 በ%

Immigrants in the region also supported federal social programs. In 2019, they contributed

- Immigrant households 7. refer to those with an immigrant as head of the unit.
- U.S. Congressional 8. Budget Office, The Distribution of Household Income and Federal Taxes, 2019 (Washington, DC: 2022), https://www.cbo.gov/ publication/58353.
- 9 Institute on Taxation and Economic Policy, Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Washington, DC: 2018), https://itep.org/ <u>whopays</u>.
- 10. These figures derive from our calculations based on immigrants' share of wage income and self-employment income in the 5-year ACS sample from 2019 and the statistics of GDP from the U.S. Bureau of Economic Analysis.
- 11. Including people who have both public and private healthcare coverage.



Spending Power & Tax Contributions (continued)



of residents in Greater Salem live at or below 150% of the poverty threshold.



of immigrants in Greater Salem live at or below 150% of the poverty threshold.

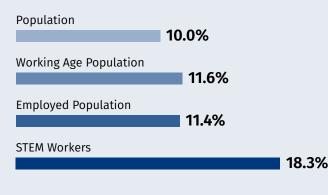


of U.S.-born residents in Greater Salem live at or below 150% of the poverty threshold.

Workforce

Although immigrants made up **10.0%** of the region's total population, they represented **11.6%** of its working age population, **11.4%** of its employed labor force, and **18.3%** of its workers in science, technology, engineering, and math (STEM) fields in 2019.¹²

Immigrant shares of the...



The immigrant workingage population was **52.6%** female and **47.4%** male.



The employed population was **46.6%** female and **53.4%** male.

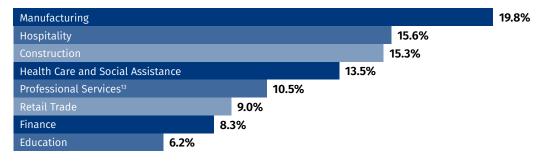


Immigrants in the region were

18.4%

more likely to be of working age than their U.S.-born counterparts.

Immigrants played a critical role in several key industries in the county. The industries with the highest share of immigrant workers were:



- STEM refers to occupations that require background or expertise in science, technology, engineering, or math.
- Professional services: Most of these industries include professions that require a degree or a license, such as legal services, accounting, scientific research, consulting services, etc.

Workforce (continued)

Due to the role immigrants play in the workforce helping companies keep jobs on U.S. soil, our research shows that immigrants living in the region helped create or preserve

800 manufacturing jobs

that would have otherwise been eliminated or moved elsewhere by 2019.14

SPOTLIGHT ON Job Demand In Greater Salem In 2019

Not only were immigrants more likely to be of working age than the U.S.-born, but they were also a crucial part of the regions economy, and helped meet the needs of its fastest growing and most in-demand fields.¹⁵ Immigrants help fill many high-demand roles, especially as the need for bilingual and culturally competent public services and health care workers increases.

The top five industries with the highest demand for bilingual workers:

1. Manufacturing

2. Health Care and Social Assistance

3. Educational Services

4. Administrative and Support, Waste Management, and Remediation Services 5. Retail Trade

Entrepreneurship

1,400 immigrant entrepreneurs generated

\$41.5 million

in business income in Greater Salem. Immigrant entrepreneurs self-identified as **39.0%** female and **61.0%** male.



Despite making up **10.0%** of the population, immigrants made up



of the business owners in the region in 2019.

13.8% of immigrants worked for their own businesses, while **10.7%** of the U.S.born population were entrepreneurs.



and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market (New York, NY: Americas Society/Council of the Americas and New American Economy, 2013), <u>https://www. newamericaneconomy. org/wp-content/ uploads/2013/09/revivalof-american-cities.pdf</u>.

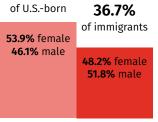
14. Jacob Vigdor, Immigration

15. Data is obtained from Lightcast Technologies for the time period between January 1, 2019 and December 31, 2019.

Education

Share of the region's population aged 25 or above that held a **bachelor's degree** in 2019:

49.8%



Share of the region's population aged 25 or above that held an **advanced degree** in 2019:

20.2% of U.S.-born 55.9% female 44.1% male 55.4% male

5.3%

of K-12 students in the Greater Salem region were immigrants in 2019.



of K-12 students in the region were the children of immigrants in 2019.¹⁶

SPOTLIGHT

In fall 2021,

236

students enrolled in colleges and universities in Greater Salem were temporary U.S. residents.¹⁷

47

University Population

jobs in higher education and other areas including accommodations, food, and transportation were supported by international students in the region. \$9.7M

was contributed to the economy by international students in the 2021-2022 academic year in the region.¹⁸

The universities with the largest international student populations were:

 Salem State University
 177 in

 Endicott College
 49 international students

16

international students graduated with STEM degrees from colleges and universities in the region in the 2020-21 academic year.

177 international students

- Children of immigrants includes both U.S.-born and immigrants who are under the age of 18 with at least one immigrant parent.
- Data on student enrollment in the region is derived from the Integrated Postsecondary Education Data System maintained by the National Center for Education Statistics. Temporary residents refer to people who are not U.S. citizens or permanent residents.
- Economic data is derived from the International Student Economic Value Tool maintained by NAFSA: Association of International Educators.

Housing

In 2019, **51.7%** of immigrant households in Greater Salem owned their own homes, compared with 71.5% of U.S.born households.



U.S.-born



of immigrant households

were renters. Their total

annual rent paid was

\$50.9M

48.3%

Lived in Houses 3.400. or 45.8%

88.2% of immigrant

households in the region

had access to broadband

connection in their place

U.S.-born

of residence compared

with 91.9% of U.S.-born households in 2019.19

Immigrant

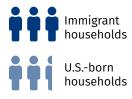
Lived in Apartments 3,900, or 53.4%

Other Types of Housing 59, or 0.8%

Total property value of immigrant households:

\$2.1**B**

The average household size for immigrants is 3.0 compared to 2.5 for U.S.born residents.



Naturalization



When eligible immigrants naturalize, their income increased, on average, by



61.2% Naturalized²⁰ Citizens (10.100)

17.1% Likely Eligible to Naturalize (2,800)

21.6% Not Yet Eligible to Naturalize (3,600)

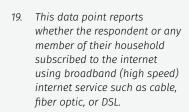
Not Yet Eligible Nationally, 48.7% of immigrants are naturalized citizens, 15.9% are likely eligible to naturalize, and 35.4% are not yet eligible.

Naturalized

Likely Eligible

Top countries of origin for naturalized citizens in Greater Salem were:

Dominican Republic							13.1%
Italy				7.1%			
Other USSR/Russia			5.4%				
Portugal		4.5%					
Canada	3.6	%					



- Naturalization is the 20. process through which one can become a U.S. citizen, dependent on certain eligibility requirements. Learn more here: <u>https://www.</u> americanimmigrationcouncil.. org/research/how-unitedstates-immigration-systemworks.
- 21. Maria E. Enchautegui and Linda Giannarelli, The Economic Impact of Naturalization on Immigrants and Cities, Urban Institute, 2015, https://www.urban. org/research/publication/ economic-impactnaturalization-immigrantsand-cities.

Refugees

500

immigrants, or **3.2%** of the immigrant population in Greater Salem, were likely refugees in 2019.²² In 2019, refugee households in the region earned **\$28.4 million**

\$5.5 million

went to federal taxes²³

- **\$2.4 million** went to state & local taxes²⁴
- **\$20.5 million** left in spending power

Undocumented Immigrants

1,600

undocumented immigrants lived in Greater Salem in 2019. They made up



of the region's immigrant population.

In 2019, undocumented immigrant households earned

\$42.4 million

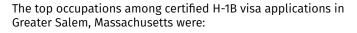
\$3.6 million

went to federal taxes²⁵

- **\$1.9 million** went to state & local taxes²⁶
- **\$36.9 million** was left in spending power

H-1B Visas

H-1B visas were certified²⁷ in Greater Salem during Fiscal Year 2022.







- 22. American Immigration Council, From Struggle to Resilience: The Economic Impact of Refugees in America, (Washington, DC: 2023), <u>https://www.</u> <u>americanimmigrationcouncil.</u> <u>org/sites/default/files/</u> <u>research/05.23 refugee_report_</u> <u>v3_0.pdf.</u>
- U.S. Congressional Budget Office, The Distribution of Household Income and Federal Taxes, 2019 (Washington, DC: 2021), https://www.cbo.gov/ publication/58353.
- 24. Institute on Taxation and Economic Policy, Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Washington, DC: 2018), <u>https://</u> itep.org/whopays/.
- U.S. Congressional Budget Office, The Distribution of Household Income and Federal Taxes, 2019 (Washington, DC: 2021), https://www.cbo.gov/ publication/58353.
- 26. Institute on Taxation and Economic Policy, Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Washington, DC: 2018), <u>https://</u> itep.org/whopays/.
- 27. Before an employer can file a petition with United States Citizenship and Immigration Services (USCIS) to hire an employee using an H-1B visa, the employer must take steps to ensure that hiring the foreign worker will not adversely affect U.S. workers. To do this, employers file a labor condition application (LCA) to be certified by the Department of Labor (DOL), which ensures that employment of the H-1B worker will not adversely affect the wages and working conditions of similarly employed U.S. workers. The number of certified H-1B visas is therefore a good indication of the demand for foreignborn workers of a given occupation in a given region. More information on the H-1B process can be found here: https://www.uscis.gov/workingin-the-united-states/h-1bspecialty-occupations.

SPOTLIGHT ON

Darguin Fortuna

Founder, Flow Design Architects

Darguin Fortuna grew up on his grandparents' rice farm in the Dominican Republic, but threw himself into schoolwork to pursue a degree in architecture. At 20, he was two years into that program when he and his mother received green cards. "My mom had first applied years before, and I hadn't known if I'd get mine while I was still young enough to qualify as her dependent," he says.

Knowing he'd face a difficult path but would earn far more as an architect in the United States in the long run, Fortuna left college and moved with his family to Massachusetts in 2010. "My odds of succeeding as an architect were far better if I came," he says. His mother became a home health aide, while Fortuna enrolled in English classes at North Shore Community College and worked at Wendy's. After receiving his ESL Certificate, he transferred to Boston Architectural College.

Fortuna also married an American with whom he now has three children. It wasn't easy to support the family while studying and working fast-food jobs, and for several years the family relied on food stamps and WIC support to get by. "I was so proud when we were finally told we no longer qualified it meant we'd made it through and we were standing on our own feet," he says.

After completing his certification exams, Fortuna worked at several large firms, but didn't like the stuffy corporate environment. "I wanted a more diverse and equitable practice," he says. To get that, he realized he would have to start his own. In 2016, he launched Flow Design Architects, which focuses on sustainable commercial and residential design—and brings Fortuna's unique vibrancy to client relations/projects. "That first year, we did just 15 projects. Last year we did over 450," he says. Flow Design Architects now employs 12 people in the Salem area.

Fortuna is grateful for the support he's received from mentors at BAC and local design firms. The Massachusetts Small Business Development Center at Salem State University also helped him refine his business plan. "When you're starting out, you come across these angels who help you on your way," he says.

Now a U.S. citizen, Fortuna teaches aspiring architects at BAC, offers an online course, and gives career talks across the state. "I'm passionate about promoting diversity, and I want other young people to realize architecture is a career they can do too," he says.

SPOTLIGHT ON

Laurier Hamidou Tabayi

Manufacturing Supervisor, Thermos-Fisher

Cameroonian-born and French-educated computer scientist, Laurier Hamidou Tabayi, received a diversity visa in 2011, and arrived in Massachusetts with her husband and two daughters. But it wasn't the transition she expected. The visa program provided no guidance about how to get established with housing or work.

Soon after arriving, for instance, the family had the misfortune to be targeted by scammers who pretended to be landlords and made off with over \$5,000. The police couldn't help, and without any savings or housing, the family entered a homeless shelter in Danvers.

Meanwhile, Hamidou Tabayi had the rude awakening that employers weren't impressed by her foreign master's degrees. So she enrolled in an associate's degree at North Shore Community College and took classes to improve her English. "I knew I couldn't fall back — that I had to keep pushing forward," she says.

The family eventually moved out of the shelter with a Section 8 housing voucher, and Hamidou Tabayi worked two jobs, stocking shelves at a local Market Basket and operating equipment at a medical devices manufacturer. Working 90-hour weeks, it took her five years to complete her degree. When she started applying for engineering jobs, some employers told her she was now overqualified. "I felt like I couldn't win," she says.

But in 2022, Hamidou Tabayi finally found a better-paid job as a manufacturing supervisor at the laboratory and biotech equipment company Thermos-Fisher. Though her husband, also a computer scientist, is still struggling to find work, Hamidou Tabayi has been able to buy her own home and dreams of one day getting a PhD.

For now, though, she's focused on her daughters' educations. Her eldest just graduated from UMass Lowell with a master's degree in engineering management, and is working as a validation engineer, while her youngest attends Dartmouth College and hopes to become a lawyer. "God is good, and so is the American Dream," she says. "But in the beginning it's really hard – you have to keep hope, no matter what."

She says transportation assistance would have helped the family leave the shelter much sooner, since they didn't have a car to scout apartments. And career guidance would have helped her find work in her field. "There needs to be more guidance and support for people who are starting out in this country."

New Americans in Essex County

The Demographic and Economic Contributions of Immigrants in the County²⁸

Population

132,500

the number of immigrants living in Essex County, Massachusetts, in 2019.

Immigrants made up



of the total population of the county in 2019.

Demographics

Between 2014 and 2019, the total population of the county decreased by

The immigrant population increased by

+7.8% during the same time period.

Without immigrants moving to the county, the total population would have decreased by



between 2014 and 2019.

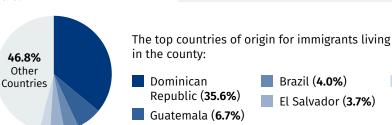
India (**3.2%**)

22.6%

of households in Essex County in 2019 had at least one immigrant.



of immigrants in Essex County were recent arrivals, with five years of residency in the United States or less, meaning **84.9%** of immigrants in the county have resided in the United States for more than five years.

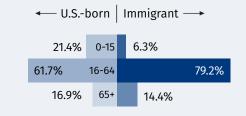


In the county, immigrants were

28.3%

more likely to be of working age than their U.S.-born counterparts, allowing them to actively participate in the labor force and contribute to the economy as taxpayers and consumers.²⁹

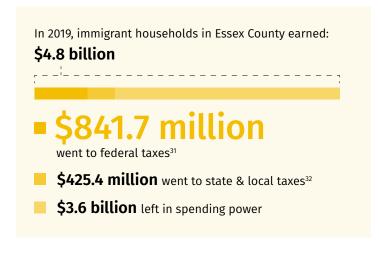
Shares of population by age:³⁰



- 28. Unless otherwise specified, data comes from 5-year samples of the American Community Survey from 2014 and 2019 and figures refer to Essex County, MA.
- 29. We define working age as 16-64 years of age.
- 30. Totals may not add up to 100 percent due to rounding.

Spending Power and Tax Contributions

Immigrants paid a significant amount in federal, state, and local taxes, including property, sales, and excise taxes levied by state and local governments.



This means that immigrant households held



of all spending power in the county.

In 2019, immigrant residents in the county contributed

\$9.5 billion

to the region's gross domestic product (GDP), or **16.1%** of the total.³³

Immigrants in the region also supported federal social programs. In 2019, they contributed

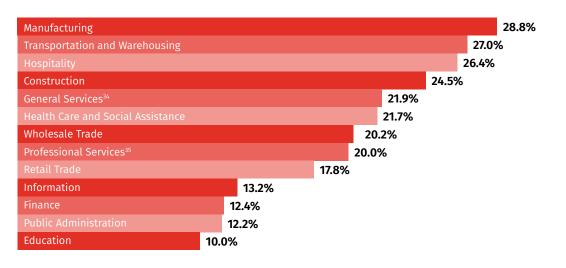


\$125.5 million to Medicare

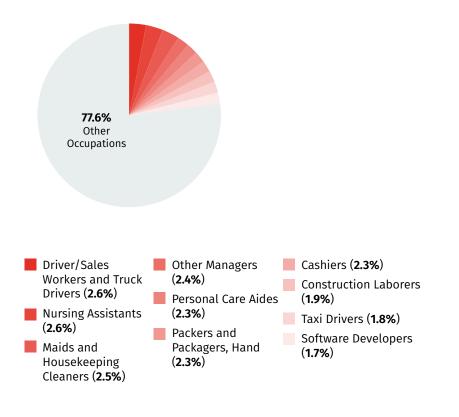
- U.S. Congressional Budget Office, The Distribution of Household Income and Federal Taxes, 2019 (Washington, DC: 2021), <u>https://www.cbo.gov/</u> <u>publication/58353</u>.
- Institute on Taxation and Economic Policy, Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Washington, DC: 2018), https://itep.org/whopays/.
- 33. These figures derive from our calculations based on immigrants' share of wage income and selfemployment income in the 5-year ACS sample from 2019 and the statistics of GDP from the U.S. Bureau of Economic Analysis.

Workforce

Immigrants played a critical role in several key industries in the county. The industries with the highest share of immigrant workers were:



The occupations with the largest number of immigrant workers were:



- General services include personal services (e.g. laundry services, barber shops, and repair and maintenance), religious organizations, social services, and labor unions.
- 35. Professional services: Most of these industries include professions that require a degree or a license, such as legal services, accounting, scientific research, consulting services, etc.