



Good for Business: Rolling out the Welcome Mat in Michigan

EXECUTIVE SUMMARY

In the wake of Arizona's anti-immigration law, Michigan is one of many states where similar legislation has been introduced. Heated discussions about immigration reform often center on the cost to the public and the services provided to unauthorized immigrants. What is often left out of those discussions is the fact that immigrants contribute to the economy in many ways. They create jobs, contribute to an educated workforce and pay taxes. Immigrants excel as entrepreneurs and innovators and provide Michigan with a competitive advantage.

- Immigrants are responsible for 33 percent of all high-tech startups, making Michigan third among all states in producing new high-tech business opportunities.
- In 2006, 22 percent of the international patent applications from Michigan listed a foreign-born resident as one of their key inventors, ranking Michigan 8th in the nation.
- The state's immigrants are four times more likely than nonimmigrants to file an international patent.
- Immigrants do not raise unemployment. Arizona has seven times more unauthorized workers in the labor force than Michigan, yet as of December 2010, had an overall unemployment rate of 9.4 percent, compared with Michigan's 11.7 percent.

The purchasing power of immigrants is also on the rise, and their drive to start businesses creates jobs in local communities. Almost half of Michigan immigrants are from Asia and nearly a quarter from Latin America.

- In 2009, the purchasing power of Michigan Asians and Latinos combined, totaled \$17.5 billion, an increase of over 300 percent by each population since 1990.
- In 2002, Michigan's Asian and Latino-owned businesses numbered more than 31,000, with sales and receipts of \$8.3 billion, employing 61,000 people.

An educated workforce is key to Michigan's economic turnaround. Michigan's education system attracts many foreign students.

- During the 2008-2009 year, foreign students contributed \$592 million to the local economy in tuition, fees, and living expenses.
- In 2008, 37 percent of the Michigan immigrant population had a college degree, an increase of 27 percent since 2000.
- 44 percent of all engineering master's degrees and 62 percent of engineering doctorates are awarded to foreign-born students in the state.

Immigrants pay taxes.

- Unauthorized workers in Michigan account for more than \$1 billion in taxable income.
- Unauthorized immigrants are subject to sales and property taxes.
- Many unauthorized immigrants pay into the Social Security system, but may not be able to collect the benefits.

Michigan's economy could be negatively impacted by the passage of an Arizona-style immigration bill.

- Michigan stands to lose over \$3.8 billion in economic activity, \$1.7 billion in gross state product, and approximately 20,000 jobs with the removal of all unauthorized workers from the labor force.
- Anti-immigrant legislation would also likely increase the state's expenditures, from costly litigation to increased local law enforcement
- Arizona's experience shows that boycotts of the state can lead to a loss of business and revenues.