

Progressive Leadership Alliance of Nevada



**The Center on Work &  
Community Development**

**PLAN**

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## **The Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada**

by

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**With Recommendations and Commentary written by PLAN**

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## **Special Thanks**

Special thanks to Laura Majanovich, Northern Nevada Coordinator for the ACLU of Nevada, who translated this report into Spanish. She was 100 percent committed to this project and completed it under extremely trying times. Laura's husband, Paul, died unexpectedly while she was in the midst of this project. We send our condolences to Laura. We cannot thank her enough for the work she did on this project.

A heartfelt thank you to PLAN's Economic Justice Committee chaired by Jon Sasser and Jan Gilbert. The Committee suggested that PLAN do a statewide study of the contributions of Non-native Hispanics.

Thanks to Robert Ginsburg, Ph.D and David Moberg, Ph.D of the Center on Work & Community Development for writing a clear and concise report.

## **About this report**

At PLAN's request, the Center on Work & Community Development analyzed the economic contributions of Hispanic immigrants to Nevada's economy, expanding on a study of the Las Vegas economy by UNLV's Center for Business and Economic Research.

This report uses 2000 Census data and 2002 survey data from the Center for Business and Economic Research. The Center for Work & Community Development conducted its own independent analysis to determine the earnings, age, employment and other demographic patterns of non-native Hispanic resident over age 16 in Nevada. Unless otherwise noted, all of the data refer to conditions in Nevada in 2000.

## **Key sections of the report**

The core research sections of this report—The Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada—begins on page 11 with an Executive Summary and ends on page 23. It was researched and written by Robert Ginsburg, Ph.D and David Moberg, Ph.D of the Center on Work & Community Development. The pullout quotes to the left of the main text are from various sources.

The Key Findings section of the report was compiled by PLAN from the core sections of the report. The Myths vs. Facts section was also compiled by PLAN based on information from the National Immigrant Law Center. The Recommendations and Commentary sections are the views of PLAN unless otherwise cited.

**Thanks to the University of Nevada Reno Latino Center for a grant that helped offset the cost of printing this report.**

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# Key Findings

## Economic Impacts

- Total direct and indirect economic impact of non-native Hispanic immigrants on Nevada's economy is nearly \$20 billion (\$19.733 billion).
  - This represents more than one-fourth of the gross state product.
- Hispanic immigrants create jobs. They hold 152,635 jobs (16.5 percent of total jobs) and that has an employment ripple effect creating an additional 85,525 jobs.
  - 41,911 indirect jobs are created as a result of immigrant worker consumption.
  - 43,614 induced jobs result from the consumption by the holders of indirectly created jobs.
- Every dollar earned and spent by immigrants in Nevada creates an additional 55 cents in output for the state.
- Hispanic non-native immigrants are major contributors to the vitality of the state's economy, the profitability of key industries and the creation of many higher-paid jobs for native-born workers.
  - They provide critical support for major Nevada industries such as tourism, gaming and construction, which generate many higher-paid jobs.

## Workforce

- Hispanic immigrants earn \$3.455 billion in direct wages.
- Immigrants work primarily in services, construction and retail.
- Immigrants are typically paid below the state average due to the jobs they hold, employment discrimination and the powerlessness of immigrants in the labor market, especially if they are undocumented.
  - They account for 16.5 percent of the total workforce, yet they receive only 8.3 percent of total earnings.
- As a percentage, immigrants are slightly more likely to be in the workforce than the population as a whole (48.2 percent immigrants; 45.8 percent non-immigrants).

## Population

- Nearly two-thirds of all Hispanic residents of Nevada are long-term, established residents. They were either born in the US or lived here for more than ten years.
- Nevada ranks 6<sup>th</sup> among all the states in percentage of its residents that are immigrants.
  - 15.84 percent of our population is immigrant.
- Nearly one-fifth (19.7 percent) of all Nevada residents—393,539—identify as Hispanic.
- More than 80 percent of Nevadans who identify as Hispanic are immigrants.

## Taxes

- Nevada's immigrant Hispanic workers generated \$1.821 billion in federal taxes in 2001.
- They generated \$1.089 billion in state and local taxes in 2001.
- Total taxes paid by immigrant Hispanic workers: \$2.911 billion.
- Taxes paid in urban areas by immigrants help finance public services even in regions with relatively fewer immigrants.

# Myths vs. Facts

## Undocumented workers and entitlement programs

If you listen to talk radio or read the letters to the editor, you would think that undocumented workers are receiving all kinds of benefits from local, state and federal programs. The reality is undocumented workers in Nevada receive few benefits yet pay a substantial amount of taxes. Immigrant Hispanic workers in Nevada paid nearly \$3 billion in state, local and federal taxes.

The following is an excerpt from an actual letter to the editor. Unfortunately, it is fairly representative of the anti-immigrant letters published on a regular basis.

“Our stand on illegal immigration is at the bottom of many of our money woes. We provide entitlements for people who are now breaking our laws by being in this country illegally. We need to close our borders and deport anyone who is in this country illegally. This is the root of our problems.”—Letter to the editor, Las Vegas Review-Journal, 1/7/03.

The letter writer does not bother to list the “entitlements” that are provided to undocumented workers, and for good reason—there isn’t much of a list.

Despite paying taxes that support entitlement programs, undocumented workers do not qualify for the following:

- They do not qualify for Supplemental Security Income (SSI).
- They do not qualify for food stamps.
- They do not qualify for Temporary Assistance for Needy Families (TANF).
- They do not qualify for Full-Scope Medicaid.
- They do not qualify for Nevada CheckUp (Children’s Health Insurance).
- They do not qualify for Medicare “Premium Free” Part A (hospitalization).
- They do not qualify for Title XX Block Grants.
- They do not qualify for Social Security.
- They do not qualify for HUD Public Housing and Section 8 Programs.
  
- They do qualify for Emergency Medicaid.
- Their children do qualify to enter our public schools.
- Millennium Scholarships are available to students whose parents are undocumented workers, if the students meet all of the other academic qualifications.

Source: National Immigrant Law Center.

“Education and skills are the most basic ingredients for success.”—The Pew Hispanic Center.

“These most valuable residents (children of undocumented immigrants) with the potential of succeeding in higher education shouldn't be denied this opportunity. They have already shown us the qualities that will make them good citizens.”—Former Governor Mike O'Callaghan, *Las Vegas Sun* column, 6/7/03.

## Recommendations

PLAN recommends that state and federal policy makers implement programs that will enhance immigrant workers education and skill levels.

We support the Dream Act, which is bipartisan federal legislation to clear up immigration status issues and address barriers to education faced by U.S. raised children of undocumented immigrants.

In Nevada, we urge policy makers to continue making the Millennium Scholarship available to the academically talented children of undocumented workers and that all universities (not just community colleges) allow these students to enroll. This is sound state policy and it will reap rewards. Better-educated people earn more money, pay more in taxes and are much less likely to need state-provided social services.

Immigrant workers can improve their skills by joining labor unions. Many unions such as Culinary Workers Union Local 226, the AFL-CIO and others offer training programs that sharpen the skills of their members.

PLAN strongly agrees with the AFL-CIO, which has stated that immigrant workers face many of the same problems that all workers face such as discrimination, unsafe working conditions, and employers interfering with the right of workers to form a union.

The AFL-CIO has stated, “We must recognize our common bonds with immigrant workers searching for a better life, respect and dignity on the job, social justice and freedom.”

We also support citizenship programs such as Father Phil Carolin's Immigrant Workers Citizenship Project in Las Vegas and PLAN's Citizenship Project in Reno, which is directed by Rosa Molina. When immigrants become citizens, they are able to fully participate in our democracy.

We urge the Immigration Naturalization Service (INS) in Reno to hire more personnel to assist with processing immigration requests. Due to understaffing, the waiting list for immigrants to be processed is too long. Hiring additional staff to do interviews will expedite the citizenship process.

## PLAN's Recommendations

“When immigrants join unions, as millions have, they join the fight for better wages and working conditions and that improves the working conditions and increases the bargaining power of all unionized workers.” —  
Geoconda Arguello-Kline,  
President of  
Culinary Workers  
Union Local 226.

Since non-native Hispanic immigrants account for 16.5 percent of the total Nevada workforce, but receive only 8.3 percent of total earnings, PLAN endorses raising the state's minimum wage by at least \$1 an hour.

Finally, Nevada lawmakers need to pass legislation that will allow undocumented workers to obtain drivers licenses. This will lead to safer roads and more insured drivers

If we implement the above recommendations, then the portion of Nevada's working population that provides more than one-fourth of our state's gross product will be much better off. And the economic ripple effect will be felt by all of us, which means we will all be better off.

“Too many ill-informed people think non-citizen Hispanic immigrants come to the U.S. for government handouts. That is simply not true. They do not qualify for most, if not all, programs ranging from Food Stamps to Social Security. This report shows that Hispanic immigrants come here to work and their labor adds significantly to Nevada’s economy and tax base.”  
—Adrian Mendoza, President of Hispanics in Politics (HIP) & State Director for Election Protection of Nevada.

## PLAN Commentary

By Rosa Molina, PLAN’s Citizenship Project Director

Non-native Hispanic immigrants in Nevada create jobs, boost our economy and pay billions in taxes, according to a new study by economists Robert Ginsburg, Ph.D. and David Moberg, Ph.D. of the Center on Work & Community Development.

The results are not surprising to economists. But they do fly in the face of far-right extremists who blame non-native immigrants for all of society’s ills.

Many talk radio programs are anti-immigrant as are numerous letters-to-the-editor. They misstate the facts. They state that immigrants are a drain on the state’s economy and that they take away jobs and move to the U.S. to get on welfare. This report clearly debunks the jobs argument, but let’s take a moment and examine the welfare issue (also see “Myth vs. Facts: Undocumented workers and entitlement programs” on page 6).

Non-citizen Hispanic immigrants generally do not qualify for Food Stamps, Temporary Assistance for Needy Families (TANF), Public Housing, Social Security, Supplemental Security Income, Nevada CheckUp and most of Medicaid until they have *lawfully* resided in the U.S. for more than five years. Undocumented Hispanic immigrants qualify only for emergency Medicaid and their children are able to attend public schools (source: National Immigrant Law Center). By the way, immigrants are more likely to be in the workforce than the population as a whole. In other words, they have a strong work ethic.

Despite not qualifying for many state programs, non-native Hispanic workers in Nevada do pay taxes. They paid nearly \$3 billion in federal, state and local taxes. One of the largest sources of tax revenue in Nevada is the sales tax. Every time non-native Hispanics make purchases they are contributing to our tax base.

In fact, taxes paid in urban areas by immigrants help finance public services in regions in the state with relatively few immigrants. A strong case can be made that non-native Hispanic immigrants pay much more in taxes than they receive in benefits from government programs.

If we were to listen to certain talk radio hosts and deport non-native Hispanics, it would derail Nevada’s economy. They contribute

## PLAN Commentary

“According to the American Immigration Lawyers Association, immigrants annually earn \$240 billion, pay \$90 billion in taxes and receive only \$5 billion in welfare.”—From an Opinion piece written by Father Phil Carolin (*Las Vegas Review-Journal*, 9/21/03).

nearly \$20 billion to our economy, which is more than one-fourth of the gross state product.

Our top industries—gaming, construction and retail—would be hard-pressed to find enough employees without non-native Hispanics. And, these industries are getting a bargain since immigrants are typically paid below the state average.

Immigrants account for 16.5 percent of the total workforce, yet receive only 8.3 percent of total earnings. We need to examine this further. Is their low percent of total earnings due to the type of jobs they hold? Or, is it due to employment discrimination and the powerlessness of immigrants in the labor market, especially undocumented workers?

Non-native Hispanic immigrants make Nevada a better place to live. They add to the stability of Nevada’s communities. Even with the large influx of Hispanic immigrants in recent years, nearly two-thirds of all Nevada Hispanics are long-term, established residents. They were either born in the US or lived here for more than ten years. They truly have made long-term commitments to our communities.

Nearly one-fifth of Nevada residents identify as Hispanic and this has created an ancillary benefit. Mexican tourists are flocking to Las Vegas. Only two other countries—Canada and the United Kingdom—send more tourists to Las Vegas.

“The Mexican travel market is big for Las Vegas,” stated a recent newspaper article (Mexico shows love for Las Vegas, by Chris Jones, *Las Vegas Review-Journal*, July 9, 2004). The article noted that Mexican tourists feel comfortable in Las Vegas due to the high number of Mexican workers in hotels and casinos.

Let’s hope that while Mexican tourists are visiting us, they do not tune in to Las Vegas talk radio or read the letters-to-the-editor in our local newspaper. They may not feel so comfortable here, if they do.

## **The Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada**

By Robert Ginsburg, Ph.D. and David Moberg, Ph.D.  
Center on Work and Community Development

### **Executive Summary**

“Immigrant Hispanic workers in Nevada paid nearly \$3 billion in local, state and federal taxes in 2001.”—Robert Ginsburg, Ph.D. & David Moberg, Ph.D., Center on Work & Community Development.

“While Hispanic immigrants are portrayed by some as the blame for our state and local budget woes, the opposite is true. Despite contributing to most social service entitlement programs through their taxes, undocumented immigrants are specifically disqualified from receiving most benefits.”—Mark Nichols, Executive Director, National Association of Social Workers, Nevada Chapter.

The total direct and indirect economic impact of non-native Hispanic immigrants on the Nevada state economy amounts to \$19.733 billion, including \$3.455 billion in direct wages, more than one-fourth of the gross state product.

There are 152,635 immigrant Hispanics in the state’s workforce, 16.5 percent of the total, but their economic activity accounts for an additional 85,500 jobs, bringing the total jobs generated by immigrant Hispanics in the state to nearly a quarter million (238,157). While the economic impact of immigrants is felt mainly in urban areas, immigrants live and work in every county of the state.

These are some of the key findings in a new study on the economic contribution of non-native Hispanics to the Nevada economy by the Center for Work & Community Development prepared at the request of PLAN, the Progressive Leadership Alliance of Nevada.

This report expands on the February 2002 study by the Center for Business and Economic Research on “The Impact of the Non-Native Hispanic Community on the Economy of Clark County.” Using 2000 Census data and survey results from the CBER study, this report provides a new analysis of statewide data estimating the non-native Hispanic workforce.

More than 80 percent of Nevadans who identify as Hispanic are immigrants, and more than one-third arrived in the state since 1990. Immigrants work primarily in services, construction and retail or wholesale trade, generating an economic impact of \$12.695 billion.

Every dollar earned and spent by immigrants in Nevada creates an additional 55 cents in output for the state. The greatest combined direct and indirect impact is in services (\$6.715 billion), construction (\$5.944 billion), and retail or wholesale trade (\$3.748 billion).

Direct employment of Hispanic immigrants also yields \$1.821 billion in federal taxes (mainly social security and personal income taxes) and \$1.089 billion in state and local taxes (mainly sales tax, property tax, indirect excise and sales taxes, and gaming revenue).

“Foreign-born workers often are engaged in some of the most dangerous and difficult sectors of the economy.”—  
*Building Understanding, Creating Change,*  
 AFL-CIO.

## Introduction

An undocumented worker in a Los Angeles sweatshop a decade ago, Graciela Diaz is today a well-trained and properly documented waitress in a Las Vegas hotel restaurant who makes around \$40,000 a year. Her immigrant husband, Manuel, makes close to \$60,000 a year as a construction worker.<sup>1</sup>

They are not simply exceptional individual success stories, boosted to well above the national median income for a family of two breadwinners by their hard work and their respective unions, the Culinary Workers and the Laborers.

They are also examples of how immigrant workers contribute substantially to the Las Vegas economy, which depends on new immigrant workers for the health of many of its industries, especially services and construction.

Nevada ranks 6<sup>th</sup> among all the states in the percentage of its residents that are immigrants (see table below).

**Table 1. Immigrants as a Percentage of State Population**

Rank	State	Immigrants as % of total population
1	California	26.17%
2	New York	20.38%
3	New Jersey	17.55%
4	Hawaii	17.52%
5	Florida	16.71%
<b>6</b>	<b>Nevada</b>	<b>15.84%</b>
7	Texas	13.91%
8	District of Columbia	12.86%
9	Arizona	12.79%
10	Illinois	12.31%

Ref: 2000 US Census.

But Nevada’s immigrant workers--nearly all of whom come from Mexico or other Latin American countries--contribute to the economy of the entire state, not just Las Vegas.

They are concentrated in the state’s more urban areas, especially Clark County, where the 118,877 non-native Hispanic workers made up nearly a fifth (18.8 percent) of the workforce in 2000, Washoe County (14.3 percent of all workers) and Carson City (11.6 percent of all workers).

## Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada

“Certain industries, from agriculture to framing houses in Las Vegas, would collapse without access to immigrant labor. So, while many conservatives bemoan immigration, their business-owning buddies rely on a steady flow of immigrants to keep their companies functioning.”—column by Geoff Schumacher, Editor and publisher, *The Las Vegas Mercury* on July 8, 2004.

There are non-native Hispanic workers in every county of the state, even such rural, lightly populated areas as Esmeralda County (31 non-native Hispanic workers, or 7.2 percent of the workforce) and Mineral County (41 non-native Hispanics, or 2.0 percent of the workforce).

Overall, taking into account the effects of their work and consumption as they ripple throughout the state, immigrant workers account for nearly \$20 billion of economic activity within Nevada, 26.1 percent of the state’s total output, and immigrant workers account, directly and indirectly, for one-fourth of total state employment.

Hispanic non-native--that is, immigrant--workers often toil in the shadows, taken for granted when they are not criticized. They are much in demand for the state’s economy but relatively voiceless in determining its character.

Although often underpaid, they are major contributors to the vitality of the state’s economy, the profitability of many key industries and even the creation of many higher-paid jobs for native-born workers, many of whom have also migrated to Nevada from other states.

At the request of PLAN, the Center for Work & Community Development analyzed the economic contribution of Hispanic immigrants to the Nevada economy, expanding on a study of the Las Vegas economy by the Center for Business and Economic Research.<sup>2</sup>

Using the 2000 Census data and 2002 survey data from the Center for Business and Economic Research, The Center for Work & Community Development conducted its own independent analysis to determine the earnings, age, employment and other demographic patterns of non-native Hispanic residents over 16 in Nevada.

Unless otherwise indicated, all of the data refer to conditions in Nevada in 2000.

## Hispanic Immigrants in Nevada

Hispanics--immigrants and natives--live and work throughout the state (see Table 2). Nearly one-fifth (19.7 percent) of all Nevada residents--393,539 people--identify as Hispanic.

Four-fifths (80.4 percent) of all Hispanics were not born in the United States, and more than one-third (35.4 percent) arrived after 1990. While this reflects substantial recent growth, nearly two-thirds of all Hispanic residents of Nevada are long-term, established residents, either having been born in the United States or having lived in this country for more than ten years.

While Clark County has the densest Hispanic population (21.9 percent of the county), many less populated counties also have Hispanic communities approaching 20 percent of the population, and only 8 out of 17 counties have less than 10 percent Hispanics.

Immigrants represent a widely varying share of Hispanic population in different counties, ranging from 27.5 percent of Hispanics in White Pine County to 98.5 percent in Eureka County, both with relatively low overall populations.

“...Nearly two-thirds of all Hispanic residents of Nevada are long-term, established residents.”—Ginsburg & Moberg.

**Table 2. Hispanic Population by County**  
2000 US Census.

County	Total Pop.	Total Hispanic Pop.	Hispanic % of total
Churchill	23,982	2,053	8.6%
Clark	1,375,765	301,830	21.9%
Douglas	41,259	3,031	7.3%
Elko	45,291	8,917	19.7%
Esmeralda	971	87	9.0%
Eureka	1,651	130	7.9%
Humboldt	16,106	3,065	19.0%
Lander	5,794	1,086	18.7%
Lincoln	4,165	207	5.0%
Lyon	34,501	3,814	11.1%
Mineral	5,071	429	8.5%
Nye	32,485	2,686	8.3%
Pershing	6,693	1,296	19.4%

“This report confirms what many of us have known for years. Non-Native Hispanic immigrants work hard in casinos, hotels, restaurants, construction sites and at retail stores.”—Bob Fulkerson, PLAN State Director.

## Employment of Hispanic Immigrants

Immigrants are disproportionately concentrated in three major industries--services (which includes much of the hotel and gaming-related work), construction, and trade (retail and wholesale), with agriculture the only other industry with substantial employment.

Out of 152,635 non-native Hispanic workers in Nevada, slightly more than a third worked in services (59,056) and another third in construction (53,654). There were 23,967 Hispanic immigrants in retail and wholesale trade and 10,195 in agriculture, the vast majority (7,942) in urbanized Clark County rather than in rural areas. The distribution among industries remained quite similar throughout the state (see table 3).

**Table 3. Non-native Hispanic Employment in Industry Categories for Nevada**  
Ref: US Census. Implan. UNLV-CBER

County	Total Non-native	Construction Mining	Retail/ Wholesale	Services
Churchill	599	210	94	232
Clark	118,877	41,787	18,665	45,996
Douglas	1,123	395	176	435
Elko	2,198	773	345	850
Esmeralda	31	11	5	12
Eureka	60	21	9	23
Humboldt	723	254	114	280
Lander	230	71	32	78
Lincoln	75	26	12	29
Lyon	761	268	120	294
Mineral	41	14	6	16
Nye	702	247	110	272
Pershing	201	71	32	78
Storey	42	15	7	16
Washoe	24,134	8,484	3,790	9,337
White Pine	148	52	23	57
Carson City	2,690	946	422	1,041
<b>Totals</b>	<b>152,635</b>	<b>53,654</b>	<b>23,967</b>	<b>59,056</b>

## Workforce Participation and Earnings of Hispanic Immigrants

Although many immigrants work in relatively low-income jobs, their earnings still represent a significant economic force in Nevada. Non-native Hispanics earned \$3.455 billion in wages and salary, with about \$2.7 billion earned in Clark County alone (see table 4).

Immigrants are slightly more likely to be in the workforce than the population as a whole.<sup>3</sup> But they are typically paid below the state average, partly because of the jobs they hold, employment discrimination, and the relative powerlessness of immigrants in the labor market, especially if they are undocumented.<sup>4</sup>

Hispanic immigrants make up 16.5 percent of the state's workforce<sup>5</sup>, but they receive only 8.3 percent of total earnings. Yet these typically low-wage workers provide critical support for major Nevada industries, such as tourism, gaming and construction, which are highly profitable and also generate many higher-paid jobs. As a result, the economic impact of immigrants is higher than might otherwise be imagined.

County	Total Workforce	Total Non-native Hispanic Workforce	% Non-native Hispanic in workforce	Annual Earnings for Non-native Hispanics
Churchill	10,977	599	5.5%	\$ 16,843,759
Clark	631,236	118,877	18.8%	\$ 2,723,639,783
Douglas	18,936	1,123	5.9%	\$ 24,973,800
Elko	21,278	2,198	10.3%	\$ 45,141,850
Esmeralda	429	31	7.2%	\$ 574,675
Eureka	712	60	4.2%	\$ 1,319,900
Humboldt	6,931	723	10.4%	\$ 16,908,200
Lander	2,476	230	9.3%	\$ 5,615,100
Lincoln	1,453	75	5.2%	\$ 696,619
Lyon	15,141	761	5.0%	\$ 17,789,124
Mineral	2,029	41	2.0%	\$ 1,033,536
Nye	12,080	702	5.8%	\$ 15,802,208
Pershing	2,242	201	9.0%	\$ 4,458,094
Storey	1,745	42	2.4%	\$ 1,333,540
Washoe	168,922	24,134	14.3%	\$ 520,828,665
White Pine	3,286	148	4.5%	\$ 3,890,563
Carson City	23,282	2,690	11.6%	\$ 54,353,260
<b>Totals</b>	<b>923,155</b>	<b>152,635</b>	<b>16.5%</b>	<b>\$ 3,455,202,674</b>

## Impacts of Hispanic Immigrants on Employment

Using the Implan economic model<sup>6</sup>, which projects economic outputs resulting from specified inputs, it is possible to infer the indirect and induced economic impact of Hispanic immigrants.

Besides the direct effect of wages spent on goods and services within the state, there is an indirect effect, as new jobs are created in such businesses and public services as grocery marketing, home construction, education, waste management, or energy and telecommunications provision that are supported by the consumption and taxes of the immigrant workers. The demand for goods and services by these workers creates in turn further induced demand.

In addition to the 152,635 jobs held by immigrant workers, this model indicates that another 41,911 indirect jobs are created as a result of immigrant worker consumption. Nearly half (18,800) are in services, but roughly one-fourth (11,859) are in trade.

But the pattern of indirect job creation is quite different from the direct employment of Hispanics. For example, as a result of Hispanic immigrant work in Nevada, jobs are created indirectly for other workers in manufacturing (2,712); in transportation, communications and public utilities (3,218); and in finance, insurance and real estate (2,791).

In each category, there are more jobs created indirectly than the number of jobs directly held by Hispanic immigrants. Many of these indirectly created jobs pay a higher wage on average than in services, trade, agriculture and non-union construction work, where Hispanic immigrants are directly employed.

Following the ripple effects of Hispanic employment further, there are another 43,614 induced jobs resulting from the consumption by the holders of indirectly created jobs. Retail and wholesale trade jobs are by far the major category of induced jobs, accounting for 19,575 jobs or nearly half the total of induced jobs. But there is also substantial creation of new jobs in services, finance, insurance and real estate and transportation, communication and public utilities.

Hispanic immigrants *create* jobs:

“There are more jobs created indirectly than the number of jobs directly held by Hispanic immigrants. Many of these indirectly created jobs pay a higher wage...” — Ginsburg & Moberg.

## Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada

Taken together, the direct employment of 152,635 Hispanic immigrants in the state of Nevada accounts for the generation of an additional 85,525 jobs. As a result, a total of 238,157 jobs result from the employment of non-native Hispanics in Nevada.

**Table 5. Employment Impacts of Non-native Hispanic Population in Nevada**

	Direct	Indirect	Induced	Total
Agriculture	10,195	758	234	11,187
Construction/ Mining	53,654	1,200	781	55,635
Manufacturing	3	2,712	676	3,392
TCPU*	1,523	3,218	1,851	6,592
Trade (retail/wholesale)	23,967	11,859	19,575	55,401
FIRE**	2,702	2,791	2,907	8,400
Services	59,056	18,800	16,625	94,481
Government	1,532	572	423	2,531
Other	n/a	n/a	538	538
<b>Total</b>	<b>152,632</b>	<b>41,910</b>	<b>43,614</b>	<b>238,157</b>

\*TCPU: Transportation, Communications and Public Utilities.

\*\*FIRE: Finance, Insurance and Real Estate.

## Economic Contribution of Hispanic Immigrants Employment and Spending

Immigrant workers have an outsized impact on the state economy<sup>7</sup>, helping to generate proportionately more economic activity or output than implied by their below-average earnings.

For example, immigrant workers are essential for the hotel and gaming industry. Despite the gains in wages and benefits many hotel and casino workers have won through collective bargaining, their moderate wages support many higher-income workers, such as entertainers, managers, lawyers, or advertising agents.

Once again, using the Implan model, it is possible to calculate that immigrant workers have a direct economic impact of \$12.695 billion in Nevada, mainly in construction (\$5.764 billion), services (\$4.390 billion) and retail/wholesale trade (\$2.002 billion).

“It’s like I’ve said all along. Hispanic immigrants in Nevada create jobs, energize the economy and pay billions in taxes.”—Miguel Barrientos, President of the Mexican – American Political Association of Las Vegas (MAPA) and co-chair of the Immigrant Workers Freedom Ride of Las Vegas.

## Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada

“The total economic output from Hispanic immigrants working and spending in Nevada totals \$19.733 billion. That amounts to more than one quarter (26.1 percent) of the gross state product of Nevada.” — Ginsburg & Moberg.

In addition there is an indirect impact of \$3.393 billion, mainly from services (\$1.186 billion), trade (\$738 million), and transportation, communications and public utilities (\$502 million).

**Table 6. Output impacts (million \$) of Non-native Hispanic Population in Nevada**

	Direct	Indirect	Induced	Total
Agriculture	\$269	\$22	\$6	\$297
Construction/ Mining	\$5,764	\$112	\$75	\$5,950
Manufacturing	\$1	\$264	\$96	\$362
TCPU*	\$122	\$502	\$341	\$965
Trade	\$2,002	\$738	\$1,008	\$3,748
FIRE**	\$77	\$514	\$ 911	\$1,502
Services	\$4,390	\$1,186	\$1,139	\$6,715
Government	\$70	\$56	\$62	\$188
Other	\$ n/a	\$ n/a	\$6	\$6
<b>Total</b>	<b>\$12,695</b>	<b>\$3,393</b>	<b>\$3,646</b>	<b>\$19,733</b>

\*TCPU: Transportation, Communications and Public Utilities.

\*\*FIRE: Finance, Insurance and Real Estate

The total economic output thus resulting from Hispanic immigrants working and spending in Nevada totals \$19.733 billion. That amounts to more than one quarter (26.1 percent) of the gross state product of Nevada<sup>8</sup>. Combining direct, indirect and induced impacts, the output from Hispanic immigrants comes mainly from services (\$6.715 billion), construction (5.944 billion), retail/wholesale trade (\$3.748 billion), and finance, insurance and real estate (FIRE) (\$1.502 billion).

### Government Fiscal Benefits from Hispanic Immigrant Employment and Spending

Immigrant workers do not simply spend their money on homes (or rent), food, clothes, utilities, cars and other consumer goods from the private marketplace. They also pay taxes, including sales tax on purchases.

Since Nevada does not have an income tax, indirect taxes and fees play a critical role for state and local finances.

Immigrant workers, like most low-income workers, spend a higher proportion of their earnings than high-income workers

## Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada

(especially on local goods and services). Consequently, immigrant workers disproportionately bear the tax burden for the state compared to people earning very high incomes.

Based on the Implan input-output model, immigrant Hispanic workers in Nevada generated \$1.821 billion in federal taxes and \$1.089 billion in state and local taxes and revenue in 2001, for a total of \$2.911 billion (tables 7.a & 6.b). By far the biggest federal taxes were the social security tax (\$754 million, employee and employer contribution combined) and income tax (\$665 million).

**Table 7.a Federal Taxes  
Fiscal Impacts of Non-native Hispanic Population in Nevada**

(Impact Millions of Dollars. Sources: See endnote 9)

<b>Federal Government</b>	
Corporate Profits Tax	\$139.79
Indirect Business Tax <sup>^</sup> : Custom Duty	\$44.61
Indirect Business Tax: Excise Taxes	\$129.87
Indirect Business Tax: Fed NonTaxes	\$45.07
Interest (Gross)	\$22.71
Personal Tax: Estate and Gift Tax	\$17.46
Personal Tax: Income Tax	\$665.26
Personal Tax: NonTaxes (Fines, Fees)	\$2.59
Soc Sec* Tax Employee Contribution	\$358.97
Soc Sec* Tax Employer Contribution	\$395.59
<b>Federal Total</b>	<b>\$1,821.91</b>

State and local revenue came from a greater variety of taxes. Hispanic immigrant workers primarily paid for state and local services through the sales tax (\$342 million), property tax ((\$230 million), indirect excise and sales taxes (\$140 million) and gaming revenue (\$130 million).

While this revenue is collected mainly from the urban areas of the state, immigrant workers pay taxes throughout the state, and through state government, the taxes paid in urban areas by immigrants help finance public services even in regions with relatively fewer immigrants.

## Economic Contribution of Non-Native (Immigrant) Hispanics to Nevada

**Table 7.b – State Taxes**

**Fiscal Impacts of Non-native Hispanic Population in Nevada**

(Impact Millions of Dollars. Sources: See endnote 9)

<b>State/Local Government</b>	
Interest/Dividends:S/L Accounts inc pensions	\$7.73
Indirect Business Tax: Motor Vehicle License	\$8.14
Indirect Business Tax: Gaming Revenue	\$130.61
Indirect Business Tax: Property Tax	\$230.81
Indirect Business Tax: S/L** NonTaxes	\$140.03
Indirect Business Tax: Sales Tax	\$342.84
Indirect Business Tax: Severance Tax	\$7.02
Interest (Gross)	\$0.00
Personal Tax: Estate and Gift Tax	\$1.80
Personal Tax: Income Tax	\$0.00
Personal Tax: Motor Vehicle License	\$7.90
Personal Tax: NonTaxes (Fines Fees)	\$20.60
Personal Tax: Other Tax (Fish/Hunt)	\$4.14
Personal Tax: Property Taxes	\$1.93
Retirement Plans: Employer + Employee	\$41.56
Federal (Pop. based) Transfers/reimbursements	\$144.49
<b>State &amp; Local Total</b>	<b>\$1,089.60</b>
<b>Total Federal, State, and Local</b>	<b>\$2,911.51</b>

“We are a country of immigrants. Immigrants play a crucial role in our national and regional economy. Our gaming industry welcomes visitors with immigrant labor. Immigrant workers build many of our homes and other buildings.”—  
 Father Phil Carolin  
*(Las Vegas Review-Journal, 9/21/03).*

If immigrant workers earned more, they would be contributing even more to the coffers of state and local government.

That suggests that education and other services to help immigrants, including unionization, could aid many other workers to follow the path of Graciela and Manuel Diaz to even more productive and rewarding work in Nevada to the benefit of all.

The current large role played by immigrant workers in the Nevada economy could be reinforced by improving the quality of the critical jobs they hold.

### Endnotes:

1. Steven Greenhouse, "Crossing the Border into the Middle Class," The New York Times, June 3, 2004.
2. Mary Riddel and R. Keith Schwer, "The Impact of the Non-Native Hispanic Community on the Economy of Clark County," Center for Business and Economic Research, February 2003(© 2003 by Mary Riddel and R. Keith Schwer).
3. According to the US Census Bureau data, 48.2 percent of all immigrants are in the workforce compared with 45.8 percent of the non-immigrants.
4. Riddel and Schwer, op.cit.
5. US Department of Commerce, Bureau of the Census, 2000 Decennial Census and Public Use Microdata System.
6. IMPLAN (IMPact analysis for PLANning) is the most widely used software for input-output analysis. The USDA Forest Service originally developed IMPLAN in 1979. It is a sophisticated software package that makes regional input-output models and forecasts regional economic impact based on those models. It is widely used by government agencies to make regional economic forecasts. The IMPLAN model is a mathematical way of specifying the economic relationships among all businesses and between businesses and consumers. The approach shows the amount each industry, in assembling the goods and services it sells, must purchase from suppliers in other industries. The IMPLAN model accounts for sales of goods and services to wholesalers, transporters, and manufacturers inside and outside of Nevada. An input-output model measures both the relative sizes of sectors that make up the economy and the linkages among them. The input-output model captures not only the direct impact of worker and company expenditures but also the indirect and induced impacts of these expenditures in the economy.
7. Economic Impact (or output) is defined as the value of goods and services produced and sold in Nevada from all industry sectors. The total direct impact of Hispanic Immigrant workers in Nevada is more than just their direct earnings. First, Industries need to employ people to produce and sell their goods and services so that their output is tied to the employment levels. In addition, workers also directly purchase goods and services, which add to the output of Nevada industries. Indirect effects occur as increased demand for goods and services requires companies to purchase more materials and labor. These additional purchases then support more jobs, which are called induced effects.
8. Bureau of Economic Analysis, Regional Economic Accounts.  
<http://www.bea.gov/bea/regional/gsp.htm>
9. Ref. Implan, U.S. Bureau of Economic Analysis. According to Implan, indirect business taxes consist primarily of excise and sales taxes paid by individuals to businesses. These taxes occur during the normal course of business, but do not include taxes on profit or income. Implan provides estimates of Federal Transfers and reimbursements such as Medicaid, Medicare, Transportation, Public Health and Environmental Protection.

# PLAN's Mission Statement

PLAN's mission is to create more progressive state policies in Nevada through research, public education and leadership development. PLAN works to develop organizing, electoral, and fundraising capacity within the grassroots membership organizations of the coalition, to provide technical and research assistance to the progressive community in Nevada, and to forge coalition campaigns around key issues pertaining to racial, environmental, and economic justice issues. PLAN aims to take on Nevada's business-as-usual, "money talks" state political structure and work for more effective citizen participation in state and local government.

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Peggy Maze Johnson, Secretary  
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Darlene Gardipe  
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## PLAN Member Groups

ACLU, Nevada  
AFL-CIO of Nevada  
Alliance for Workers Rights  
Citizen Alert  
Committee to Aid Abused Women  
Common Cause of Nevada  
Culinary Workers Union Local #226  
Friends of Nevada Wilderness  
Food Bank of Northern Nevada, Inc.  
Gay & Lesbian Community Center of S. Nevada  
Gay, Lesbian, & Straight Education Network (GLSEN)  
Great Basin Mine Watch  
Human Services Network  
Laborers International Union of America #169  
Latinos for Political Empowerment (LAPE)  
Metropolitan Community Church of Las Vegas  
National Association of Social Workers-NV (NASW)  
Nevada Conservation League  
Nevada Lawyers for Progressive Policy  
Nevada Shakespeare Company  
Nevada State Education Association

Nevada Tobacco Prevention Coalition  
Nevada Trial Lawyers Association  
Nevada Women's Lobby  
Northern Nevada Building Trades Council  
Northwest Community Church  
NOW, Southern Nevada Chapter  
Operating Engineers, Local 3  
Planned Parenthood Mar Monte of Northern Nevada  
Planned Parenthood of Southern Nevada  
A Rainbow Place  
Reno-Sparks Indian Colony  
Reno-Sparks NAACP  
Service Employees International Union, Local 1107  
Sierra Club, Toiyabe Chapter  
State of Nevada Employees Association (SNEA)  
Sunrise Sustainable Resources Group  
Unitarian Universalist Congregation of Las Vegas,  
Social Action Committee  
Unitarian Universalists for Social Action, Reno  
United Food & Commercial Workers Local #711  
Washoe Legal Services

<http://www.planevada.org/>

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