

Immigration in Philadelphia: A Call to Action: Pennsylvania Economy League October 2000

Introduction

The United States is a nation built by immigrants. From the first English colonial settlers to the masses of Italians, Poles, and other nationalities arriving at the turn of the century, the country has been shaped and reshaped by successive waves of immigration. Now the United States finds itself in the midst of another great tide of newcomers. In 1997, 798,378 immigrants arrived in the United States, compared to only 249,187 in 1950.¹ Many of today's newest arrivals are locating in the nation's metro areas. In fact, 93.15 percent of 1997 immigrants intended to reside in a metropolitan statistical area (MSA) while nearly 28 percent have concentrated in one of the country's four largest metro areas (New York, Los Angeles, Chicago and Houston).²

While immigration has become the primary factor in the nation's population growth, the Philadelphia region has not kept pace with the rest of the country. The Greater Philadelphia area, despite being the fifth largest metro area in the country, has consistently lagged behind areas of similar or even smaller size in immigrant attraction for nearly 80 years. In 1997, the Philadelphia MSA ranked 14th in total immigrants intending to reside in a metro area, and ranked as low as 19th in 1998 (behind areas such as Ft. Lauderdale and Detroit).³ Despite the sluggish performance, the question of immigration is rarely raised or discussed within the context of public policy issues surrounding Greater Philadelphia.

For a region that has struggled with limited to zero population and economic growth, immigration should be a topic of concern. The influx of immigrants in several other metro areas has helped those respective regions cope with many of the same problems afflicting the City of Philadelphia and its surrounding suburbs (population loss, infrastructure deterioration, slow business and economic growth). For example, in the 1990's New York had a higher negative net domestic migration rate than Philadelphia. Nevertheless, the City has actually shown a net population increase thanks to the annual masses of immigrants that arrived and remained within the City's confines.⁴

The purpose of this analysis is to demonstrate that immigration is important and should be an issue of concern to the citizens of Greater Philadelphia. As an overview piece, the intention is not to provide a detailed analysis of the current status of immigration in the region nor what the effects may be of attracting more immigrants in the future. The goal is to elevate the level of thinking and discussion around the problem and show that proactive steps can be taken and may be necessary.

¹ 1950 Annual Report of the Commissioner-General of Immigration, Immigration & Naturalization Service.

² 1997 Statistical Yearbook of the Immigration and Naturalization Service, Immigration & Naturalization Service.

³ 1998, 1997 Statistical Yearbooks of the Immigration and Naturalization Service, INS.

⁴ Mitra, Steve., "Immigration & New York City's Economy", Taub Urban Research Center, New York University.

The white paper will begin with a brief recap of Philadelphia's history as an immigrant city and why it has failed to maintain its former strength as such. It will then proceed with an economic argument for why a city or region should seek to attract immigrants. An analysis will follow as to why other regions are more successful than Philadelphia in attracting immigrants and what factors, if any, detract from the region being an attractive place for newcomers. Finally, the paper will conclude with best practices from other regions in proactive immigrant attraction and lessons that Philadelphia can learn and apply.

Philadelphia as an Immigrant City: A Brief History

Philadelphia was once a haven for immigration. From 1683, when the first non-British settlement in the nation was formed in Germantown, to the turn of the 20th century, the Philadelphia region was one of the primary destination points of entry and residence for U.S. bound immigrants. But from the beginning, Philadelphia was doomed to play second fiddle to New York as an immigrant destination as a result of natural disadvantages. The region would eventually fall behind most of the nation's metro centers due to a lack of foresight and forward thinking.

As one can see in Table 1, Philadelphia's percentage of total U.S. immigrants has fallen steadily since the early 1800's. According to Fredric Miller, a historian at Temple University, Philadelphia's ability to attract immigrants was limited from the start. At a time when newcomers arrived by ship, the Delaware River posed a significant obstacle due to its frozen waters that were difficult for vessels to penetrate. In addition, for ships that were able to complete the voyage upriver, an additional annoyance was presented by immigrants who grew anxious waiting on a boat while land surrounded them throughout the two-week trip around Cape May to the Port of Philadelphia. Ellis Island meanwhile offered easy access for ships and instant gratification for immigrants who had been at sea for months at a time.

Missed opportunities also struck at Philadelphia's ability to garner a greater share of immigrants. Atlantic steamship navigation proved to be feasible during the mid-1800's thereby reducing travel time and increasing immigration flow. Yet, the Philadelphia business community apparently did not see the need for the new technology and failed to raise money to build new steamships and keep pace with other ports of entry. The City would face the great Irish and German migrations of the mid-1800's with only one line of sail propelled ships.⁵

Despite the difficulties of bringing immigrants to Philadelphia, the city still persisted in drawing its fair share. From 1820 to 1910, the City typically drew 3 to 4 percent of the country's total immigrant population, as it was a major center of commerce and employment. By the mid 1870's, over 25 percent of the city's population was foreign born.⁶ Philadelphia was significant enough an immigrant center that in 1909, the federal government bought a land parcel in Gloucester County that was to be developed into an Ellis Island type intake center. Unfortunately, World War I broke out and the project was tabled. After the war, the U.S. government set strict quotas on immigration which were not lifted until after WWII. Philadelphia never recovered its status as an immigrant destination. In 1997, the region attracted

⁵ Miller, Fredric. "Philadelphia: Immigrant City", Balch Institute for Ethnic Studies, pg. 2.

⁶ Miller, pg. 4.

only 1.4 percent of the nation's immigrants – a level that has been relatively constant since the dawn of WWI.

In absolute numbers, the Philadelphia region has seen a steady increase in immigration since 1950, yet the numbers are small in comparison to what other major metro areas are drawing. In 1997, the Philadelphia MSA drew 3,079 fewer immigrants than the Boston MSA, 6,034 less than the San Francisco region, 24,528 less than the Chicago MSA and 20,586 less than the District of Columbia. If the region drew immigrants at the same ratio to its population as the Greater Boston region in 1997, 20,994 foreigners would have arrived in Greater Philadelphia – 10,136 more than those that actually came. The region appears to have missed out on the latest wave of immigration that is rivaled only by the mass influx of newcomers at the turn of the 20th century.

Why Should Cities Want Immigrants?

Many qualitative arguments have been made as to the benefits of immigration. For example, some will claim that they improve the quality of life in their respective communities via the introduction of different cultures, foods, etc. Others may argue that promoting immigration helps the United States come closer to attaining the dream of a multi-cultural, “melting pot” society. Unfortunately, many of these benefits are hard to pinpoint and quantify.

Nevertheless, arguments in favor of immigration can rest on the premise that immigrants make good economic sense – particularly for older urban centers. The economic argument for increasing immigration can be made from a number of fronts.

At a very basic level, immigrants help replenish the population exodus that many of the nation's older industrial cities are suffering from. Immigration has become the primary driver of population growth throughout the nation. Based on current immigration trends, projections call for immigration to account for 66% of the United States' population growth over the next half century.⁷ Meanwhile, the Census bureau reports that no city has lost more of its total population than Philadelphia. From 1990 to 1998, the city lost 149,290 residents.⁸ The metro region had a net domestic migration rate of –4.6 from 1990 to 1997.⁹ Philadelphia was not the only city or metro region to witness a mass exodus from its borders in the 1990's. Upon closer inspection, one finds that many of the nation's large urban centers and metro areas were victims of out-migration, yet many of them showed a net population increase towards the end of the decade. How can this phenomenon be explained?

Part of the answer lies in immigration. Table 2-A compares the total number of immigrants who intended to reside in a particular metro area, with the region's net domestic migration rate, the region's population change and the respective city's population change. Despite the significant negative domestic migration rates in regions and cities such as Los Angeles, New York, Chicago, Washington D.C., San Diego and San Francisco, all have seen either modest or significant net population increases in the region and central city. Only the

⁷ Fix, Micahel & Passel, Jeffrey S. “Immigration & Immigration: Setting the Record Straight”, Urban Institute: 1994

⁸ Census Bureau Population Estimates, www.census.gov.

⁹ Wall, Howard J. “Voting with Your Feet and Metro-Area Livability”, St. Louis Federal Reserve.

District of Columbia (which was one of only two cities to lose a greater *proportion* of its population than Philadelphia) had a total population loss. Nevertheless, the Washington D.C. metro region was one the nation’s fastest growing areas, well eclipsing the city’s population decline.

Part of the population increase in areas with a negative domestic migration rate is certainly due to a positive birth/death ratio. Yet, all these areas also have a common characteristic – they are all major centers of immigration. Were it not for immigration, New York City would have lost approximately one seventh of its population in the 1990’s (nearly 1 million people).¹⁰

Table 2-A: Immigration and Metro Population Changes

Region	Total Immigrants (1990 – 1997)	Net Domestic Migration Rate – MSA (1990 – 1997)	% Total MSA pop. Change (1990 – 1997)	% Total Central City Pop. Change (1990 – 1997)
Los Angeles	1,009,379	(15.1)	2.86	2.24
New York	966,774	(13.3)	1.21	0.86
Chicago	334,254	(5.5)	6.38	0.86
Miami	286,120	(8.4)	9.9	3.51
Washington DC	219,666	(2.4)	9.15	(12.69)
San Diego	177,284	(5.0)	9.03	7.91
San Francisco	157,244	(7.1)	4.12	2.3
San Jose	140,713	(8.6)	8.2	8.64
Boston	137,175	(3.6)	1.41	(3.21)
Oakland	123,899	(3.1)	7.86	(1.62)
Newark, NJ	102,904	(7.3)	1.45	(2.92)
Philadelphia	89,084	(4.6)	0.36	(8.51)
Detroit	68,340	(1.2)	4.73	(4.90)

Some critics may argue that the influx of immigrants is in fact the driving force behind the population exodus in areas such as Los Angeles. But assuming that the nation’s central cities suffer from many of the same problems, it appears to be other factors that pushed citizens away from cities such as Philadelphia and Detroit which did not have many immigrants. It is likely that much of the population loss in Los Angeles, New York, etc., would have occurred independent of the large waves of immigration to these regions.

Of course, it is not simply enough to repopulate the nation’s cities and regions. The goal should be to repopulate with people who start businesses, are employable, and eventually contribute to the local tax base. There are many indications that immigrants do exactly that.

The Economic Benefits of Immigrants

¹⁰ Mita, Steve “Immigration & New York City’s Economy”, Taub Research Center, New York University.

Before discussing the economic windfalls of immigration it is important to dispel some of the economic “myths” that permeate discussions on immigration policy. It should be noted that many studies that seek to analyze the costs and benefits of immigrants fail to separate newcomers into the distinct groups that they fall into. Most studies categorize refugees and illegal immigrants in the same pool as legal immigrants, thus diluting the net economic gains from immigration.¹¹ Once *legal* immigrants are analyzed separately from groups that are typically coming from dire economic or social backgrounds, one finds that immigrants usually impose costs no greater than natives do, and often generate a similar or greater level of economic return.

Contrary to popular belief, *legal* immigrants have no greater propensity towards welfare usage than natives. When one considers immigrants as a whole group (including illegal immigrants and refugees), the percentage of the pool receiving some form of welfare compensation is only slightly higher than that for natives – 6.6 percent versus 4.9 percent.¹² When one accounts for *legal* immigrants, the rate of welfare compensation is much lower than the rate for natives. Among non-refugee immigrants of working age (15 years and over) who entered the country during the 1980’s, only 2 percent reported welfare income in the 1990 census versus 3.7 percent of working-age natives.¹³ This is a significant number given that immigrants that have arrived in recent years are considerably younger than in previous waves, with a lower average level of educational attainment – factors that one would presume could lead to a higher rate of welfare dependency.

An additional dilemma in many of the studies that calculate the social costs of immigrants, is that the costs for the children of immigrants are often accounted for without any provision for the economic benefits that these children return to the community once they grow into adulthood. This can produce an extremely diluted view of immigrants, as society incurs significant costs for *all* children as a result of public expenditures on education. According to a recent analysis of immigrants in New York City, the 1995 per capita income of second generation working age Americans is almost identical to the equivalent age group amongst natives - \$26,800 versus \$26,900.¹⁴ This translates to identical per capita tax payments of \$10,200 for the two comparison groups. If the tax payments of second generation Americans were accounted for in computing the costs of immigrants and their children, there would be a much greater degree of equilibrium between the economic costs and benefits of immigrants.

In addition, the costs of immigrants cannot be evaluated in a static state. As their time in the United States increases, immigrants augment their status as productive and value-added members of society. Among naturalized citizens that entered New York prior to 1980, the 1995 per capita annual income and taxes equaled \$25,200 and \$9,000 respectively. For those naturalized citizens that arrived more recently (1980 – 95), the 1995 respective per capita income

¹¹ Clark, Rebecca L. & Passel, Jeffrey S. “Immigrants in New York: Their Legal Status, Incomes, and Taxes.” Urban Institute: April, 1998.

¹² Fix, Michael & Passel, Jeffrey S. “Summary of Facts about Immigrants’ Use of Welfare”, Urban Institute: March, 1996.

¹³ Fix, Michael * Passel, Jeffrey S. “Immigration and Immigrants: Setting the Record Straight”, Urban Institute: May, 1994.

¹⁴ Fix & Passel, pg. 22.

and taxes amounted to \$19,900 and \$7,300.¹⁵ Another view of this phenomenon is by comparing the wage gap between immigrants and natives over time. Immigrant men that arrived in the late 1960's averaged a 13 percent lower annual income than natives. By 1980, the difference between the two groups had narrowed to 6 percentage points. In 1990, the disparity had dwindled to 2 percent.¹⁶ The point to be drawn is that immigrants are upwardly mobile people. Although they may not arrive with a great deal of economic resources or immediately offer many benefits, with time they adapt and contribute to society at the same level as natives.

The aforementioned examples are just some instances in which the costs of immigration are not as severe as commonly perceived when properly analyzed. The question then becomes, "what are the benefits?" When one separates legal immigrants from illegal and refugee immigrants, the economic returns are clear and positive.

Much of the existing research on the economic returns of immigrants focuses on New York as this is a state that not only has a large pool of immigrants to study but has also benefited from their relocation. According to the Urban Institute, *legal* immigrants in New York State generate a great deal of tax revenue for government at all levels. At the individual level, the legal foreign-born (comprised of all immigrants except illegal) average \$6,300 in annual tax contributions while natives average \$6,500.¹⁷ The contributions of immigrants are even more apparent when one looks at the average annual tax contributions of naturalized citizens (\$8,600) as compared to natives. In total, New York State's legally present foreign-born population paid \$18.2 billion in 1995 taxes – 15.5 percent of the state's total. This total was only slightly lower than the total immigration proportion of the state population – 17.7 percent.¹⁸

In order to maintain similar tax contributions to their native counterparts, legal immigrants must also earn similar incomes. The New York data confirms this. In 1995, legal foreign-born immigrants had an average annual income of \$18,000 in New York State. The comparative figure for natives was \$18,100. The 1995 average household income for natives was somewhat higher than immigrants (\$49,300 versus \$38,700) for the primary reason that the household income range for natives is skewed towards extremely high incomes. Although natives and legal immigrants are about as likely to head households with income greater than \$200,000, the native households above that threshold have a higher average than immigrant households (\$512,000 versus \$280,000).¹⁹

Thanks in part to equitable incomes, legal immigrants also recycle enough money back into the New York economy such that they produce their fair share of property and sales taxes. Based on computer modeling techniques, the Urban Institute calculated that the legal foreign-born in New York state pay property taxes in proportion to their share of the population. Natives constitute 82 percent of the population and pay 83 percent of the residential property tax while the legal foreign-born pay the remaining 17 percent and make up 16 percent of the population.²⁰

¹⁵ Clark & Passel, pg. 21.

¹⁶ Borjas, George J. "Heaven's Door: Immigration Policy and the American Economy." Princeton University Press: New Jersey, 1999. Pg. 30: The data refers to salaried men who were employed in the civilian sector.

¹⁷ Clark & Passel, pg. 18.

¹⁸ Clark & Passel, pgs. 3-4.

¹⁹ Clark & Passel, pg. 9.

²⁰ Clark & Passel, pg. 55.

As far as sales tax payments, immigrants paid 16.7 percent of total New York State sales taxes collected in 1995, while representing 18.2 percent of the state's population. The reason for the slight difference in proportion of sales tax paid versus population is due to the fact that the Urban Institute's model accounted for income sent back by immigrants to their countries of origin.²¹

Not only do immigrants generate tax revenues, but their spending habits contribute to the economy as well. In Massachusetts, of the 387,000 new households formed since 1980, 43 percent are headed by a foreign-born immigrant.²² Meanwhile, the country's corps of foreign students spends up to \$13 billion in tuition and living expenses with 75 percent funded by overseas sources.²³

The point to be drawn from the various aforementioned figures is that when properly analyzed, legal immigrants prove to be as valuable contributors to society as natives. They accept jobs, generate tax revenue and spend money. These are characteristics of productive members of society that can only add value to regions – particularly areas that continue to lose middle to middle/upper class natives who previously provided the economic and social foundations for their respective communities.

The Economic Benefits for Philadelphia

To date, no quantitative data exists on the economic benefits brought to the Philadelphia region by immigrants. Part of this may be due to the relative dearth of a pool to study. It is beyond the scope of this project to begin the sort of modeling and computation that would be needed to definitively evaluate the economic returns of immigration in Philadelphia. Nevertheless, it is not unreasonable to assume that the benefits brought to a large, urban center such as New York would also accrue in the Philadelphia area. In addition, the notion that legal immigrants have proved to be upwardly mobile people over time is particularly pertinent to the City of Philadelphia. The upwardly mobile is exactly who Philadelphia has either failed to retain or attract over the years.

Although little quantitative research exists regarding the economic value of immigrants in Greater Philadelphia, it is possible to gain a better understanding of the value current immigrants bring through the region via their educational attainment. Using average years of educational attainment for immigrant males (1990 census), table 3-A shows the weighted average level of education for the immigrants of six metro regions in both 1997 and 1998. In both 1997 and 1998, despite its relative lack of immigration, the Philadelphia region drew a more educated immigrant pool than several metro regions well known as immigrant havens. These figures are particularly important to the Philadelphia region as it deals with the issue of "brain drain."

²¹ Clark & Passel, pg. 60.

²² Babson, Jennifer "Immigrants drive Home Sales," Boston Globe, Sec G: pg. 1., June 28, 1998.

²³ "Big Spenders on U.S. Campuses," Business Week, December 27, 1999, pg. 44.

Table 3-A: Avg. Years of Schooling for 1997 & 1998 Immigrant Pools – MSA's²⁴

Metro Region	Weighted Avg. Years of Schooling – 1997 Immigrant pool	Weighted Avg. Years of Schooling – 1998 Immigrants pool
Philadelphia	13.25	13.29
New York	12.34	12.22
Washington DC	12.28	12.27
Boston	12.62	12.63
San Francisco	12.35	12.06
Chicago	11.46	11.15

Table 4-A: H 1-B Visa Arrivals by State – Top 10 for 1996²⁵

State	Total H 1-B Visas – 1996	% of Total Immigrants
New York	27299	17.71
California	23357	11.59
Florida	12984	16.34
Texas	9853	11.82
New Jersey	8011	12.66
Massachusetts	6436	27.88
Illinois	5662	13.32
Michigan	4384	25.41
Pennsylvania	3824	22.58
Georgia	3425	27.17

Greater Philadelphia appears to have some sort of competitive advantage over other regions in attracting immigrants with a higher average level of education.

Another, somewhat less precise, method of evaluating the quality of Philadelphia's newcomers and the economic benefits they bring to the region is via the number of H 1-B Visas awarded and the proportion of the total new arrival pool constituted by H 1-B workers. H 1-B Visas are awarded to foreigners who arrive to work at specialty occupations in the United States with a specific set of skills. Most are very highly educated as they are recruited to help fill labor needs by firms often in technology related industries. Although H 1-B Visa recipients are not considered immigrants, they are newcomers that add to the economic vitality of a region. They also play a role in filling many technical jobs that have become the key to growth in the "new economy." As one can see from Table 4-A, Pennsylvania does relatively well in attracting H 1-B workers. The number of H 1-B workers in Pennsylvania is fairly large in comparison to the rest of the state's newest arrivals – again, reinforcing the fact that the area does not attract many immigrants but those that come may add a great deal of value. Unfortunately, H 1-B data is not

²⁴ Average years of schooling obtained from Borjas, "Heaven's Door", Table 3-2, pg. 43. Avg. years of schooling are for working age immigrant men only yet total immigrants considered include women, non-working age men, children, etc. In addition, on avg., 62% of total immigrants were considered for calculation due to lack of educational attainment data for all countries.

²⁵ U.S. Immigration & Naturalization Service, Statistics Branch.

available at a regional level. Nevertheless, one can infer that most of the H 1-B recipients in Pennsylvania work in either the Philadelphia or Pittsburgh metro regions, as these are the locations for the majority of high-skill jobs. In addition, as previously mentioned, the majority of immigrants reside in metro regions. It can be logically inferred from this that H 1-B employees follow suit.

A thorough economic assessment of Philadelphia's legal immigrants could prove to be a valuable exercise. Based on the experience of other metro regions as well as indirect measures such as educational attainment levels and the arrival of H 1-B visa workers, such a study would most likely conclude that they generate a great deal of economic benefits for the region. Assuming this trend holds true, the question for the region's leadership should become, "how can we leverage our region's assets and current immigrant pool to increase the total number of new arrivals in order to encourage Greater Philadelphia's economic growth?" Before this question can be answered, it is important to understand the reasons for Philadelphia's sluggish performance as an immigrant magnet.

What Attracts Immigrants?

The nation's newest wave of immigration is concentrating in just a few areas. Two-thirds of all 1990-98 immigrants located in just 10 of the nation's metro areas.²⁶ Why have these regions become the immigrant magnets that they are? What advantages do they hold over the Philadelphia region that makes them more attractive to the newest immigrants? There can be a host of reasons for why an individual immigrant will choose a particular region to live and work. In general though, there appears to be a few general factors that drive immigrants towards certain areas to the exclusion of others. These driving forces include: 1) current immigration law 2) employment opportunities 3) educational opportunities 4) transportation access.

Immigration law: Strengthening Family Ties

Immigrants have always sought refuge in communities where familial and cultural ties are strong. This is a natural and expected phenomenon given the difficulties of adjusting to life in a new land. In 1965, this link was strengthened by a radical change in the nation's approach to immigration. Prior to 1965, the U.S. government maintained strict quotas on immigrants, with quotas based on the proportion of the current U.S. population from a given country. Therefore, if citizens of Irish heritage constituted 20% of the nation's population in 1930, 20% of the total immigration pool in 1930 could be from Ireland. In addition, the government would allow no more than 150,000 total immigrants per year. The combination of these policies essentially led to the exclusion of immigrants from virtually all non-European countries as their predecessors made up insignificant proportions of the U.S. population, and the open slots were all filled by immigrants groups that already had significant representation within the United States.

Through the influence of Kennedy and later Lyndon Johnson, Congress passed the Immigration and Nationality Act Amendments of 1965. This legislation changed immigration regulations such that up to 20,000 immigrants per country from all countries outside the Western

²⁶ DeVol, Ross C. & Frey, William H. "America's Demography in the New Century: Aging Baby Boomers and New Immigrants as Major Players", Milken Institute: March, 2000.

Hemisphere could now relocate in the U.S. In addition, the national origin system was abolished, a ceiling was imposed on immigration from the Western Hemisphere, and preferences were set for immigrants who had family ties within the U.S. or offered specific employment skills. The 1965 legislation was further reinforced by the Immigration Act of 1990 in a number of ways. The bill increased legal immigration ceilings by 40 percent, tripled employment-based immigration, created special admissions categories in order to enhance diversity, and established refugee admissions standards.

The combination of these two pieces of legislation created the circumstances for a complete change in the face of the nation's immigrants. For the first time, immigrants from Asian, Latino and African countries were able to relocate in the United States. Latino immigrants began to drive the immigrant influx into cities such as Los Angeles, Miami, Houston, Dallas and San Diego thanks to their proximity. Meanwhile, cities such as New York, San Francisco, Chicago, Washington D.C., and Boston witnessed the mass arrival of Latinos and Asians alike. Over the years, these regions became immigrant magnets thanks to the family reunification policies of the immigration reform bills. Immigration transformed into somewhat of a "snowball" phenomenon as those regions with a strong start simply accumulated more. Family unification alone now accounts for approximately 75 percent of the nation's immigrants. Greater Philadelphia was not one of those regions with a strong influx of Latinos and Asians during the 1960's & 70's and as a result continues to lag behind other regions that have benefited from the arrival of family members of their original crop of immigrants.

Economic & Educational Opportunities

The majority of immigrants come to the U.S. with the notion of seeking a better life. As a result, they are job seekers and locate in areas where they can readily find employment. In addition, the immigration reform of the 1960's and 1990's placed emphasis on immigrants who could provide special skills sets and fill employer needs unmet by the native population. Through a combination of skill-based preferences as well as policies ensuring diversity in the immigrant pool, today's immigrants have bifurcated into two skill groups – those at a fairly low end, and those at a very high end.²⁷ According to the National Academy of Sciences, the education level of immigrants shows two trends: higher percentages of both Ph.D.'s and high school dropouts than the native population.²⁸ Accordingly, these new immigrants have sought employment in either professional service/technology related fields or the service sector (operators/laborers/fabricators) in which few prerequisite skills are required and the learning curve is short.

Of course, given the restraint of family sponsorship for many of today's immigrants, employment opportunity is not the only consideration when deciding where to relocate. For many immigrants, it is possible that relocating to an area where family and cultural roots are situated are the most important factors. Employment is then sought once they have settled into their new communities. According to the Milken institute, "this especially is the case for lower-skilled immigrants, since they are more dependent on kinship ties for gaining entry to informal

²⁷ Borjas, pg. 8.

²⁸ DeVol & Frey, pg. 18.

networks.”²⁹ The importance of family reunification raises the question of whether employment opportunity then matters at all. It appears that employment opportunities seem to matter most for newcomers with specialty skills (e.g., H 1-B workers) and they make a more rational and informed decision about where to live and work. As for other immigrants, lacking in specialty skills, the hypothesis is that family unification becomes a more important determinant than employment. For this reason, regions such as New York, Chicago and Washington DC, which until recently had not been high growth metro areas, have maintained their status as strong immigrant attractions. In addition, although many of these regions did not experience the overall job growth that regions such as Atlanta or Phoenix did, they did have high growth in technology and knowledge related industries. With this they were able to leverage their already strong immigration pools and also become havens for highly educated immigrants and H 1-B workers. As a result, cities such as New York, Boston, Chicago, Washington D.C., Los Angeles, and San Francisco have held steady during the 1990’s in the top ten for total Hispanics and Asian immigrants.³⁰

Along with employment opportunity for highly skilled immigrants, another important determinant is educational opportunity. The opportunity of higher education afforded by U.S. Colleges and Universities has increasingly become a viable route for foreigners to enter the country and often remain after graduation to live and work. This trend holds particularly true for science and engineering students. For example, from 1986 to 1996, the number of doctoral degrees in science and engineering earned by foreign students in the United States increased 8 percent annually. In 1997, foreign students earned 49 percent of the doctoral degrees awarded by U.S. universities. Meanwhile, of the foreign students who earned science and engineering degrees from U.S. universities in 1992 and 1993, approximately 53 percent were working in the United States in 1997.³¹

Not only are foreign students a boon to a region’s workforce but they also bring all the other benefits of immigration that were described previously. Once they are located in an area, they may also contribute to the region’s total immigrant pool by sponsoring family members who wish to relocate. A region’s success in attracting foreign students to its institutions of higher education clearly has some bearing on the region’s strength as an immigration magnet. Table 5-A represents the top 9 (in addition to Philadelphia) immigration regions of the 1990’s (1990 – 1998) along with their total international student body (undergraduate & graduate, 1999 – 2000) in comparison to Greater Philadelphia.

²⁹ DeVol & Frey, pg. 18.

³⁰ DeVol & Frey, pg. 22: Hispanic immigrants tend to arrive with lower educational attainment thus possibly relying more on family networks to assimilate. Asian immigrants tend to arrive with higher educational attainment levels, thus possibly with more focus towards the location of jobs – particularly technology related jobs.

³¹ “Indicators: science and engineering, 2000”, National Science Foundation.

Table 5-A: 1999 – 2000 International Student Body for Top Immigration Regions³²

Region (CMSA)– Ordered by total Immigration (excluding Phila.), 1990 – 1998	Total International Student Body, 1999 – 2000 (CMSA)	% of Total Student Body (CMSA)
New York	29,473	4
Los Angeles	22,921	3
San Francisco	12,172	3
Miami	5,920	4
Chicago	10,190	2
Washington, DC	14,883	4
Houston	4,652	3
Dallas	6,601	4
Boston	17,216	6
Philadelphia	6,439	2

Comparisons to Miami, Houston and Dallas are somewhat unfair given the influence of border immigration. Nevertheless, in comparison to other cities (particularly similar northeastern cities), Greater Philadelphia’s knowledge industry does not do exceptionally well in attracting foreign students. While Washington D.C.’s total student population is only 30 percent larger than Greater Philadelphia’s, the District’s international student population is 230 percent larger. Although it is difficult to draw a direct correlation between international student bodies and total immigration rates for regions, it has some logical relation given the propensity of foreign students to remain in United States after graduation. Greater Philadelphia’s sluggishness in international student attraction only adds to its difficulties in attaining status as an immigrant magnet.

The transportation question: The impact of the airport

As one can see, there are many factors that dictate where an immigrant will relocate once the decision is made to come to the United States. But none of these factors will matter if an immigrant cannot easily arrive at the desired destination point – particularly for immigrants of limited financial means. This leads to a discussion over the importance of a region’s airport – the primary means of international transportation in today’s age.

1910 was the last of Philadelphia’s heyday as an immigrant destination. As a port of entry of immigrant carrying ships, the area did fairly well in attracting newcomers. The nation closed its doors to immigrants though upon the start of WWI, and only reluctantly began to open them in the 1950’s. The doors finally swung wide open in 1965 with the passage of immigration policy reform. Yet, in that period in which the U.S. excluded immigrants, a dramatic shift took place in the way people traveled. By 1965, the majority of immigrants were not traversing the ocean by boat to come to the United States. They were coming either by automobile and foot (from Latin America to border cities such as Houston, San Diego, etc.) or by plane. The role then of the international airport took prime importance in immigrant attraction.

³² The table compares immigration totals for regions from 1990 – 1998 with total international student bodies for 1999 –2000. Although the years of comparison are different, the status of regions as immigrant magnets has not changed very much from year to year. IPEDS datasource.

Data prior to 1990 for international arrivals at U.S. airport is currently not available. Table 6-A provides data for international destinations by airport of origin. Of course arrival data would optimally provide a sense of a region's accessibility by immigrants, but typically origin and arrival data rival one another. Origin data is a good approximation of international arrival data.

Table 6-A: # of Non-Stop International Destinations by Airport of Origin (1990 – 1996)³³

Airport	1990	1991	1992	1993	1994	1995	1996
Phila.	10	6	9	8	9	7	8
BWI	8	9	10	8	11	12	12
Boston	20	22	23	25	26	21	21
JFK	75	70	77	77	80	76	81
Newark	30	26	26	29	27	29	35
LaGuardia	5	5	5	5	5	5	5
San Jose	3	4	4	5	5	4	5
SFO	21	21	21	20	21	25	26
Reagan	1	1	1	1	1	1	3
Dulles	10	11	12	13	15	19	16
O'Hare	31	29	32	39	36	38	40

As Table 6-A demonstrates, international flights, even during the 1990's – a time when Philadelphia International was expanding – have been limited. In comparison, when one takes the New York region airports (JFK, LaGuardia and Newark), the wide degree of international access points is obvious. Other international airports far surpassed Philadelphia International as well. In the Washington DC region Dulles offered 16 different access points and Baltimore/Washington International serviced 12 points. From San Francisco, travelers could access 31 different locations. Both Boston (Logan – 21 access points) and Chicago (O'Hare – 40 access points) also far surpassed Philadelphia International.

The number of international destinations or the total number of international flights does not paint a complete picture. The actual destinations are another important factor to consider. Although in recent years Philadelphia International has added international service, most flights are to European or Caribbean tourist destinations. These are not the primary origin points for today's immigrants. Meanwhile, Dulles International services airlines such as All Nippon Airways, Ethiopian Airlines, Korean Air and Saudi Arabian Airlines. Chicago's O'Hare airport services: Air India, China Eastern, Japan Airlines, Korean Air, Mexican, Pakistan International, Singapore Airlines and Royal Jordanian. San Francisco International airport services: Asiana, China Airlines, Japan Airlines, Korean Air, Mexicana, Philippine Airlines, and Singapore Airlines. Without performing a quantitative analysis of passenger volume and flight frequency with respect to these airlines, it is clear that airports of metro regions with high immigrant volume also have a great deal of diversity in the regions and origin points that they service. With Philadelphia's new international wing currently under construction, the time may be appropriate to expand the reach of Philadelphia's international arrivals. Otherwise it will continue to be difficult and cost prohibitive for immigrants to fly into Philadelphia international.

³³ Back Information Services.

Attracting Immigrants: A challenge for Greater Philadelphia

The nature of the factors that draw immigrants to particular regions begs the question of whether regions can take proactive steps to attract immigrants. While it may appear that immigration is a function of uncontrollable and unpredictable forces, many of the factors that impact the relocation decision of an immigrant are certainly within control of cities and regions. Whether it is an increase in the total number of H 1-B visa's or an emphasis on international student recruitment for regional college and universities, strategic initiatives can be put in place in order to improve a region's status as an immigrant magnet.

Greater Philadelphia now stands at a threshold. The region does not have an immigrant beacon that would serve as an automatic lure for immigrants. Nevertheless, the area is home to a number of assets, which if cultivated, could serve as boon to regional immigration. For example, planning at the Philadelphia Airport, which is the middle of a major transition with the development of a new international wing and the merger of US Airways and United Airlines, could be rethought such that international access points become a higher priority. In addition, the region could use its strength in the knowledge industry to lure more foreign students. Although the University of Pennsylvania has historically admitted a high foreign student population, schools such as Temple, Drexel, Villanova, etc. have not. Whether it be through summer study-abroad programs (for foreign students in Philadelphia) or through improved overseas marketing and recruitment, the addition of foreign students at many of Philadelphia's colleges and universities can only improve the chances of increasing immigration flow in the future.

The goal of selling not only Philadelphia to immigrants but immigrants to Philadelphia will be a long and arduous task. But if immigration is to be the primary driver behind population and possibly economic growth, now and in the future, it is a task that Greater Philadelphia's leadership must pursue. The issue has gone unnoticed for too long.

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