

DAHO



## Unauthorized Immigrants and Idaho's Economy

### **OVERVIEW**

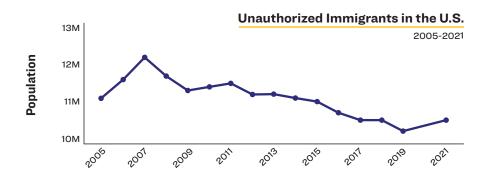
June 2024, Vol. 13, No. 1 Author: Liz Bageant, M.S.\*

Unauthorized immigrants contribute to Idaho's economy through their work in industries such as agriculture, services and construction, as well as through their everyday spending. Unauthorized immigrants pay taxes and are ineligible for most taxpayer-funded programs.

#### IDAHO'S UNAUTHORIZED IMMIGRANT POPULATION IS STABLE

Estimates using information collected by the U.S. Census Bureau indicate that the overall number of unauthorized immigrants in the U.S. reached 12.2 million in 2007 before declining to 10.5 million in 2021. More recent data are not available. Unauthorized immigrants are people present in the

United States who were born outside the country and do not have a valid visa or other immigration documentation.



In contrast to national trends, **Idaho's unauthorized immigrant population remained stable, around 35,000 people,** between 2005 and 2021. Unauthorized immigrants are part of Idaho's communities, having lived and worked in the state for decades.



## UNAUTHORIZED IMMIGRANTS, WAGES AND JOBS

The labor market is where workers and employers interact to determine wages. Many factors influence labor markets. Immigration patterns can influence the labor market by adding competition to the job market or filling jobs for which businesses cannot find workers. **For wages to be impacted by immigration, unauthorized immigrant workers must be competing directly with authorized workers for the same jobs.** 

In Idaho today, businesses are competing for workers more than workers are competing for jobs. This means **it is unlikely that unauthorized immigrant workers in Idaho are affecting wages of authorized workers.** 

### ECONOMIC CONTRIBUTIONS OF UNAUTHORIZED IMMIGRANTS



**Most unauthorized immigrants in Idaho are working (86%)**, which is greater than the national average (74%). Finding workers is a top concern for businesses in Idaho. Unauthorized immigrants contribute to Idaho's workforce in industries such as agriculture, services and construction.



**Unauthorized immigrants' spending contributes to Idaho's economy** with every purchase that they make in the state. Unauthorized immigrants in Idaho had an estimated **\$570 million available for spending in 2019.** This spending ripples through the economy, creating and maintaining jobs and additional spending.



Based on studies in other states, and an older study for Idaho, unauthorized immigrants' labor and spending contributions to Idaho's economy are likely in the billions of dollars and tens of thousands of jobs.

## UNAUTHORIZED IMMIGRANTS, TAXES AND PROGRAMS

**Unauthorized immigrants pay taxes in Idaho.** In 2014, the most recent year for which data are available, unauthorized immigrants paid:

# \$15.5M + \$8.4M + 2.4M = \$26.3M

in sales tax

in property tax

in state income tax total



Unauthorized immigrants are ineligible for most public programs that are funded by tax dollars, including housing and food assistance programs, Medicaid and subsidized health insurance.



Unauthorized immigrants are eligible for Emergency Medicaid, K-12 education and the National School Lunch Program.

A full account of tax revenues and program expenditures associated with unauthorized immigrants in Idaho is not available.

### UNAUTHORIZED IMMIGRANTS' LABOR AND IDAHO INDUSTRIES

Unauthorized immigrants in Idaho work mostly in agriculture, service and construction industries. More than half of Idaho businesses report labor as their top concern, with unmet labor needs in crop production, dairy and hospitality industries. Labor shortages may lead businesses to hire unauthorized immigrants.



**Commodity crop producers** in Idaho are limited in their ability to increase wages to attract and retain workers because commodity prices are set on the global market, rather than based on the cost of inputs.

Many commodity crop producers use the H-2A program, but this does not meet the needs of all producers. The H-2A program structure limits participation, especially for smaller or diversified operations that require fewer, more flexible workers in multiple roles.

The H-2A temporary agricultural worker program offers the opportunity to meet labor shortages in seasonal agriculture with foreign workers. Employers with year-round labor needs, such as those in dairy production and non-agricultural industries, are not able to participate in H-2A. H-2A workers are authorized workers.



**Dairy producers** in Idaho experience ongoing difficulty attracting and retaining authorized workers, despite increasing the efficiency of their operations through technology. Dairy farms are not eligible for the H-2A program.

The dairy processing industry has fewer direct workforce challenges, but relies on a steady supply of milk from Idaho's dairy farms.



**Hospitality services** in Idaho often face small profit margins and customers who are unwilling or unable to afford price increases to match the costs of labor. This limits business owners' ability to increase wages to attract and retain workers.

Hospitality services are not eligible for the H-2A program and can only obtain authorized foreign-born labor through more limited temporary worker programs.



**Construction companies** nationally had an increasing number of unfilled positions between 2013 and 2023. Additional detail on unauthorized immigrant workers in Idaho's construction industry is not available.

In Idaho, in 2021, an estimated 10,000 unauthorized immigrants worked in agriculture, 10,000 worked in services broadly and 5,000 worked in construction.

### FROM AUTHORIZED VISITOR TO UNAUTHORIZED IMMIGRANT

People who enter the U.S. through ports of entry have their documentation inspected upon arrival. Entry without inspection occurs when immigrants arrive without passing through ports of entry. Unauthorized immigrants have either overstayed their visas or entered without inspection. Between 2010 and 2017, the majority of unauthorized immigrants in the U.S. had overstayed their visas.

### ESTIMATING THE UNAUTHORIZED IMMIGRANT POPULATION

The precise number of unauthorized immigrants in the U.S. and in Idaho is not known. While some unauthorized immigrants may be willing to disclose their legal status in population surveys, others may choose not to due to fear of repercussions, including deportation.

Organizations such as the Center for Migration Studies and the Pew Research Center provide model-based estimates that use information collected by the U.S. Census Bureau and well-developed statistical methods to describe the unauthorized immigrant population.

## **IDAHO'S UNAUTHORIZED IMMIGRANT POPULATION**

- 92% are working-age adults
- 86% are in the workforce
- 78% are from Mexico
- 58% speak English "well" or "very well"
- **48%** have a high school diploma, some college or a bachelor's degree

### LONG LENGTHS OF STAY

In 2021, 76% of unauthorized immigrant adults had been in Idaho for six or more years. More detailed data from 2014 showed that **at least half of unauthorized immigrants had been in Idaho for more than 16 years.** This was the longest length of stay in the nation.

**SOURCE**: This *Idaho at a Glance* is based on the full-length research report, *The Unauthorized Immigrant Workforce and Idaho's Economy*, published by the McClure Center (2024). The report describes Idaho's unauthorized workforce and how their work, spending and taxes relate to Idaho's economy. The most recent data on unauthorized immigrants in the U.S. and Idaho are from 2021, with more detailed data only available for earlier years. View the full report: **go.uidaho.edu/workforce2024.** 

SPECIAL THANKS to our external reviewers and advisory board.







~//



Based in Boise, the James A. and Louise McClure Center for Public Policy Research conducts evidence-based research, informs public dialogue and policy, facilitates collaborations, and engages students in learning about public policy making. The Center's approach to addressing society's complex issues sustains Senator and Louise McClure's legacy of thoughtfully pursuing bipartisan collaboration and sound public policy.

uidaho.edu/mcclurecenter in linkedin.com/company/mcclure-center View the full *Idaho at a Glance* series at uidaho.edu/IdahoataGlance