The Economic and Fiscal Consequences of Immigration

DETAILS

508 pages | 6 x 9 | PAPERBACK
ISBN 978-0-309-44445-3 | DOI: 10.17226/23550

AUTHORS

Francine D. Blau and Christopher Mackie, Editors; Panel on the Economic and Fiscal Consequences of Immigration; Committee on National Statistics; Division of Behavioral and Social Sciences and Education; National Academies of Sciences, Engineering, and Medicine

9

State and Local Fiscal Effects of Immigration

9.1 INTRODUCTION

Of concern to policy makers and the public are not only the net fiscal effects of immigration for the nation as a whole, currently and over time, but also the effects on revenues and expenditures for state and local governments. Immigrants are not distributed equally among the states or localities, and state and local governments differ in their fiscal policies generally and in their policies toward immigrants specifically. Consequently, any examination of the fiscal effects of immigration at the state and local levels and the extent to which immigrants are a net fiscal burden or benefit must consider the individual circumstances of each jurisdiction.

The 1997 National Research Council report, *The New Americans*, estimated the net state and local government fiscal effects of immigration for only two states: California and New Jersey (National Research Council, 1997). Around that time, based on 2000 Decennial Census long-form sample data, California alone accounted for nearly one-third of the total number of 31 million foreign-born, while California and New Jersey, together with Florida, Illinois, New York, and Texas, accounted for about 70 percent of the foreign-born population. By 2011-2013, American Community Survey (ACS) data indicate that a larger number of immigrants had become more widely dispersed so that California accounted for about one-quarter of the total number of 41 million foreign-born and the same six states accounted for about 65 percent of the foreign-born population. Other states with significant numbers of foreign-born in 2011-2013 included Arizona, Georgia, Maryland, Massachusetts, and Virginia. Relative to the total population, the foreign-born increased from 11 percent of the U.S. total in 2000 to 13 percent in 2011-2013. By state, as of 2000, the foreign-born accounted for 14 percent or more of the population in only seven states, while by 2011-2013 the foreign-born accounted for 14 percent or more of the population in 12 states; see further discussion in Section 9.3 below.

This chapter examines the state and local government fiscal effects of immigration for each of the 50 states and the District of Columbia for the 3-year period 2011-2013. We focus on the individual as the unit of analysis—more specifically, the independent individual. The panel's analysis here attributes the fiscal costs of (and taxes received from) dependents to their parents. This independent-person concept best acknowledges that the fiscal costs or

benefits of children are due to the decisions of their parents independent of the children's own immigrant status. In addition, as in portions of Chapter 8, we distinguish among three immigrant generations (first, second, and third-plus, where "third-plus generation" is used as shorthand for all U.S. residents with two native-born parents).

Before proceeding to describe our measurement methods and results, it is worth referencing the extensive discussion of how, theoretically, immigrants' net costs to state and local governments are treated in *The New Americans* (National Research Council, 1997, pp. 254-270). That discussion, well worth reviewing, also details the range of simplifying assumptions that are necessary to derive empirical estimates of net costs. For example, for tractability, one must generally assume that immigrants use government services, such as public libraries or highway maintenance, at the same rate as natives (except when there is an explicit eligibility criterion excluding immigrants). Under this assumption, the costs of each service are allocated equally to immigrants and to natives on a per capita basis. In our evaluation, we present results making similar assumptions but then also examine what the relative costs of immigrants would be using different assumptions about whether the overall level of spending on a particular service is likely to change. For example, if the number and staffing of libraries is assumed to be unchanged, we would ask, "What is the relative cost of immigrants, assuming they produce zero marginal costs to state and local governments for library services?" The rationale behind the marginal and average cost choice for allocating the cost of public goods—particularly pure public goods such as national defense—is discussed in detail in Chapters 7 and 8.

A key difference between the fiscal impact study in this chapter and the state-level analyses in *The New Americans* is the unit of analysis. In *The New Americans*, analysis was done at the household level using the nativity of the household head to determine immigrant status. This panel's preferred estimates present results based on independent individuals, including the cost of dependent children in the net benefit or burden of their parent(s). This makes our results more comparable to those presented in Chapter 8 and better captures revenues and expenditures of all immigrants, independent of who is listed as householder. We do also present results on a household basis (see Table 9-7).

9.2 MEASUREMENT METHODS

We constructed our estimates from the CPS Annual Social and Economic Supplement (ASEC). This nationally representative survey of people in households and group quarters, excepting institutions (e.g., jails, nursing homes), enabled us to identify generation status, including *first generation immigrants* (individuals who were born abroad who are noncitizens or naturalized citizens), *second generation individuals* (individuals who were born in the United States with at least one foreign-born parent), and *third-plus generation individuals* (individuals who were born in the United States with two native-born parents).[1] For each generation, we examined household living arrangements, income from various sources, and estimated taxes paid. It is important to account separately for second generation immigrants; this was not done in the state estimates in *The New Americans*, but it is done in the analysis in this chapter. At any point in time, many second generation immigrants are of working age

[1]The second generation also includes those born abroad to an American parent with their other parent foreign-born, and the third-plus generation also includes those who are born abroad to two American parents.

and, when treated as independent individuals as in this report, contribute revenues that exceed costs. However, they may have represented a cost burden for their state and locality as children—costs that would not have been borne if their parent(s) had not entered the United States. Indeed, many second generation immigrants are themselves school-age children, whom we assign to their first generation parent(s) and who will likely represent a net burden for state and local governments for their education.

In order to achieve sufficient sample size for our analysis, we pooled 3 years of the CPS ASEC data covering 2011-2013.[2] Our sample represents, on a weighted basis and averaging over the 3 years, about 223 million independent people (essentially adults, as described below), of whom 16 percent are first generation and 8 percent are second generation. The remaining 76 percent are third-plus generation individuals, many of whose families have been in the United States for decades or centuries. The sample also represents about 85 million dependent children in each year.[3] In our study, as discussed more fully below, revenues and expenditures for dependent children are assigned to their parent(s) for estimation purposes, independent of the child's own immigrant status.

We used the 3-year average of the 2011-2013 Census of Governments (COG) Annual Survey of State and Local Government Finances[4] as our source for estimates of state and local revenues and expenditures of various kinds. Because different states provide different services at the state versus local level, we found it most useful to combine state and local revenues and expenditures to provide a complete picture of nonfederal government services. We did not have sufficient sample sizes or information on individuals to provide estimates for most sub-state areas—indeed, our estimates for many states are highly variable due to small sample sizes. These limited sample sizes also mean we do not estimate differences across places of origin.

We used simulation methods to piece together the data from the CPS ASEC and the 2011-13 COG to estimate—for each independent person and his or her dependent children in the sample, weighted to be representative of their numbers in their state's population—the revenues each provides to his or her state and locality of residence and the expenditures incurred by that state and locality on his or her behalf (including expenditures on behalf of any dependent children). Additional description of this method, as well as of differences in this approach from that used in *The New Americans*, is provided in the relevant sections below.

We then compared the resulting estimates of net state and local government fiscal benefit (or burden) for independent persons, characterized by immigrant status (first, second, or third-plus generation). We present comparisons among the states on an average-per-independent person unit basis by generation and on an aggregate basis. It can be the case, at one extreme, that a state has not only a high net fiscal burden (expenditures exceed revenues) per first and/or second generation immigrant but also a large number of first and/or second generation immigrants. At the other extreme, a state may have not only a low net fiscal

[2]Were the ACS to include a question on place of birth of parents, it would be possible to carry out an analysis of state-level fiscal effects of immigration, by immigrant generation, with a much larger sample and correspondingly greater reliability than is possible with the CPS ASEC, even pooling over 3 years (see Chapter 10).

[3]Of these dependent children, considered in their own right, 4 percent are first generation, 21 percent are second generation, and 75 percent are third-plus generation. There are as many second generation dependents as independent adults; their costs in part explain why first generation independent persons are more costly.

[4]Available at https://www.census.gov//govs/local/historical_data.html.

burden (or a net fiscal benefit) per first and/or second generation immigrant but also a small number of immigrants. And there can be any combination in between. We further assessed how differences among and within the states in estimates of net fiscal burden result from differences in characteristics of first and second generation immigrants, such as their age distribution, education level, and number of dependents as compared to native born individuals.

We also assess how differences among states in net fiscal burden result from differences in taxation and spending policies of individual states and their localities. We finally present some analyses to indicate the sensitivity of our main results to alternative assumptions about some components of revenues and expenditures. The key driver of differences has to do with education costs—the largest single part of state and local expenditures.

As defined in Chapter 7, the approach used in this chapter is a static analysis, producing estimates for a point in time. We did not attempt, for example, to play out, over time, the consequences for a state of its investment in education of first and second generation immigrant children on the skill mix of its labor force at a future date. Such an analysis would be difficult to conduct, not least because of the mobility of the population among the states so that children educated in one state may, to a greater or lesser extent, work as adults in another state.

Constructing Independent Person Units for Analysis

Most people live in households, as opposed to institutions and other similar living situations. Although a significant number of household residents live alone, many others live with relatives or with nonrelatives as in a group house. Many tax and expenditure programs are carried out on a family or household basis (e.g., state income and local property taxes and benefits from many low-income assistance programs, such as school meals). So the household would seem to be a natural unit of analysis, and *The New Americans* carried out its analysis of net fiscal state and local government burdens for California and New Jersey on a per-household basis. Households, however, change in their composition within and across years and also may contain a mix of immigrant generations and a mix of related and unrelated members. For this conceptual reason, we conducted our analysis in terms of persons, which is also the unit for our analysis of fiscal effects over time at the national level in Chapter 8. Specifically, we constructed "independent person" units, consisting of one independent adult plus an assignment of any dependent children in whole or in part, as described below. Box 9-1 repeats the definitions of independent persons and dependent children given in Box 8-2 and also defines "independent person unit."

Having classified each individual in the sample as independent or dependent, we then constructed independent person units for analysis. The assignment of dependent children in a household to independent individual(s) includes all of their revenue and expenditure flows.[5] Dependent children and their flows are split between parents if they reside in a two-parent household; they are assigned fully to the resident parent if in a single-parent household. They are assigned to the grandparent(s) if their parents are dependents; they are assigned to the

[5]In the case when the dependent weights differ from that of the independent person they are assigned to, the dependents and their flow amounts are multiplied by their dependent weight and then divided by the weight of the independent person(s) they are assigned to.

householder when parents are not present and the householder is a foster parent or grandparent. Dependents in households with family members other than parents or grandparents are assigned to the highest earning independent relative. Dependents in households without any family members are assigned to the highest earning independent household member. As with dependent children in two-parent households, nonchild dependents (related and unrelated) are split between married couples in cases where they are assigned to one of the spouses. Ninety-four percent of dependent children in our dataset are assigned to parents, with an additional 5 percent assigned to other family members (remaining dependents are assigned to non-family members).

BOX 9-1 Definitions of Independent and Dependent Persons

Dependent: For the purpose of the panel's estimates, we consider dependents to be anyone either: (1) under age 18, (2) age 18 through 21 and in high school full time, or (3) age 18 through 23 and in school full- or part-time with income below half of the poverty level for one person. We also consider single individuals who are 18 through 23 and not in school but with income below half of the poverty level (for one person) who live with at least one independent person (typically a parent) as a dependent person; 1.2 percent of the population are in this category and they are treated as dependents but are not assigned education costs.

Independent person: Any person (most of whom are adults age 18 and older) who is not a dependent child. We consider individuals age 18 through 23 who are in school and working more than part time to be independent regardless of income level.

There are a few exceptions to the aforementioned criteria. If a person is married, he or she is considered independent irrespective of age. If a person is single with children and there are no family members other than children in the household, and the person is earning above half the poverty level, the person is considered independent. If there is a household with no members satisfying the above criteria for being independent, we consider any household member with income above the average amount in the household and age 18 and above (or age 16 and above if all in the household are under 18) to be the independent person(s) in the household.

Independent person unit: Comprises the independent person plus assigned dependent children (which typically is half of any child assigned to two parents).

Defining Immigrant Generations for Independent Person Units

The classification of independent person units by immigrant generation was performed on the basis of the independent person's status as follows: as in the other analyses in this report, independent individuals born abroad who are not citizens or who are naturalized citizens are classified as first generation immigrants. Independent individuals who are native born (including those born in Puerto Rico) and one or both of whose parents are foreign born are classified as second generation, as are those born abroad to an American parent with their other parent foreign -born. As defined above, the third-plus generation includes independent individuals who are native born to two native-born parents, as well as those who are born abroad to two American parents.

It bears repeating that independent person units are classified by the generation of the independent person; children are assigned to one or two independent persons on the basis of relationship and not generation. Thus, first generation independent person units with children may include children born abroad, those who in their own right would be classified as second generation, or both. Similarly, second generation independent person units with children may include children who are second or third generation when considered in their own right.

Estimating State and Local Revenues per Independent Person Unit

After constructing independent person units, the next step was to assign the revenues each such unit provided to its state and locality, using 2011-2013 COG data on taxes and other forms of revenue. Revenues (and expenditures) were assigned to each individual, with flows for dependents then being wrapped up to the independent persons who support them. So, for example, any benefits received by a child living with two parents would be assigned to the child and then half of the value would be pulled into each parent's independent person unit amounts. For many types of revenue, the amount assigned to each independent person unit depended on the unit's demographic and economic information. For example, state income taxes paid depended on income and taxes reported in the CPS data. Because CPS data, on average, underreport income, amounts allocated for income and sales taxes were scaled up to equal COG state aggregates. The following types of revenues were assigned to independent person units (their percentage of all state and local revenues is shown in parentheses, but these average numbers mask the wide variations among states):

- Property taxes (14%);
- General sales taxes (10%);
- Selective sales taxes and public utilities (5%);
- Individual income taxes (9%);
- Business taxes (3%);
- Higher education charges (tuition etc.) (3%);
- School lunch sales (less than 1%);
- Other education charges (less than 1%);
- Insurance trust revenue (15%);
- Other revenue (22%); and
- Intergovernmental revenue (18%).

Table 9-11, in the technical annex to this chapter, provides detailed information on each revenue type and how the revenues for each type were allocated to independent person units.

Estimating State and Local Expenditures per Independent Person Unit

After the assignment of revenues, the next step was to assign state and local expenditures to independent person units using 2011-13 COG data. Similar to revenues, these amounts often vary with individual characteristics; most notably, education expenses depend on the number and age of dependents. CPS non-institutional Medicaid and public welfare expenditure amounts were scaled up to equal COG state aggregates. The following types of

expenditures were assigned (their percentage of all state and local expenditures is shown in parentheses, and again these average values mask wide variations among states):

- Higher education expenditures (7%);
- Elementary and secondary education expenditures (16%);
- Other education expenditures and libraries (4%);
- Medicaid and public welfare (16%);[6]
- Insurance trust expenditures (11%);
- Other expenditures and capital outlays (45%); and
- Intergovernmental expenditures (less than 1%).

Table 9-12 in the technical annex provides additional information on each expenditure type and how the expenditures for each type were allocated to independent person units.

Differences from the Approach Used in *The New Americans*

We followed a similar but not identical approach to that used in *The New Americans* (National Research Council, 1997, Chapter 6) to estimate the cross-sectional, point-in-time net fiscal effects of immigrants on state and local government budgets. Below we indicate key differences and the reasons for them:

- ***Coverage.*** The 1997 report constructed net fiscal effects estimates for just two states, California and New Jersey, using March 1995 CPS data for California and the 1990 Public Use Microdata Sample for New Jersey. By using 3 years of pooled CPS ASEC data in our analysis,[7] we were able to construct estimates for all 50 states and the District of Columbia, although small sample sizes for many states impair the quality of the estimates.
- ***Unit of analysis.*** The 1997 report used households as the unit of analysis on the grounds that most government programs and services are planned on a household basis. As argued above, this panel views households as too heterogeneous in composition. We therefore used an independent person unit of analysis, consisting essentially of an adult and any dependent children (or shares of children if married). This difference in analysis unit means that dollar amounts of net effects per unit are not comparable between the 1997 study and this report (even if one accounted for inflation and other differences). The reason is that there are about twice as many independent person units as there are households. Section 9.6 includes information at the household level and highlights how differences in household size can affect relative costs or benefits.

[6]While it is included in the 16% of COG expenditures from Medicaid and public welfare, we do not assign the 2% of the total 2011-13 COG expenditures that went to institutional Medicaid spending.

[7]The CPS ASEC for any one year in 2011-2013 has about twice the sample size of the 1995 March CPS, and the pooling of the CPS ASEC over 3 years increases the CPS ASEC sample size of unique respondents twice again. We keep respondents appearing in two consecutive years in our sample for both years so that each of the 3 data years is fully representative of the noninstitutionalized population in that year and we capture these respondents' different revenue and expenditure flows in each of the two years.

- ***Immigrant characteristics.*** The 1997 report distinguished between households headed by foreign-born individuals (further categorized by region of origin—Europe/Canada, Asia, Latin American, and other) and households headed by native-born individuals. Other household members might include a mix of foreign- and native-born people. This study, in contrast, looked at three groups of independent persons: first, second, and third-plus generation. (Dependent children were assigned to one or two parents or another independent person in their household regardless of their own immigrant generation.) This grouping permitted us to ascertain the contribution of second generation independent persons, which in many states provide a return on the investment made in their education as children through taxes paid when they become working-age adults. We did not look at region of origin for first generation independent persons, in part due to small sample sizes for many states.
- ***Revenues and expenditures.*** The 1997 report broke out state from local revenues and expenditures, which we did not do because of differences among states in how functions such as education are allocated between the state and local governments. The 1997 report also looked at revenues and expenditures at the federal level for households living in California. In contrast, our analysis did not attempt to estimate federal fiscal effects for independent person units by state if those effects involved the individual directly rather than flowing through state or local governments. For example, federal funds for primary and secondary (K−12) education are included because the money is directed to the states and then distributed. In contrast, federal Social Security payments are excluded because the funds are directly sent to individuals. Similarly, state income taxes are included but not federal income taxes.

9.3 GEOGRAPHIC AND DEMOGRAPHIC DISTRIBUTION OF IMMIGRANTS

As background for our discussion of state and local fiscal effects, we provide information for two periods, 2011-2013 and 2000, not only on the geographic distribution of immigrants by state in the two time periods but also on variations among states in the demographic composition of their immigrant populations. For comparability when examining changes over time, we look at distributions of the foreign-born (noncitizens or naturalized citizens born abroad), which corresponds to the sum of "independent persons" in the first generation plus any of their children born abroad.[8] Comparisons across and within states among different groups are for the three generations of independent persons as defined above.

Geographic Distribution of the Foreign-born, 2000 Compared to 2011-2013

Table 9-1 shows the percentage of foreign-born in each state's population for the period 2011-2013 compared with 2000, using data from the 2011-2013 ACS and the 2000

[8]Our analysis in this chapter is subject to the same caveats about the difficulties of identifying immigrants with existing data that are outlined in the technical annex to Chapter 2 above. In addition, as discussed further below, our state-level analysis is compromised by small sample sizes for many states in the CPS ASEC, even after pooling data over 3 years.

Decennial Census long-form sample. The states are ranked from highest to lowest percentage of foreign-born in 2011-2013. Also shown is the percentage point change between 2000 and 2011-2013. Percentages are expressed in whole numbers without decimals to remind the reader that the data are estimates from samples of the resident population.

For the United States as a whole, the foreign-born population as a percentage of the total increased by 2 percentage points over the period—from 11 percent in 2000 to 13 percent in 2011-2013. Percentage point increases by state ranged narrowly from no change in several states to 4 points in Maryland. Accordingly, it is not surprising that the patterns of geographic dispersion of the foreign-born were broadly similar in the two periods. Thus, the seven states with the highest percentages of foreign-born in 2011-2013—California, New York, New Jersey, Florida, Nevada, Hawaii, and Texas—were the states with the highest percentages of foreign-born in 2000, although overall the concentration of foreign-born individuals in these states has declined.

Table 9-1 also shows the numbers of foreign-born in 2011-2013 and the increase from 2000 (in thousands) by state. Numeric gains are important to keep in mind when considering how immigration may affect states' fiscal pictures and their policies toward immigrants. **Every state has experienced positive net numeric growth in its immigrant population since 2000**. California, Florida, and Texas gained between 1 million and 1.4 million immigrants over the period, and New York State gained over 500 thousand. Six states gained between 300 and 500 thousand, five states gained between 200 and 300 thousand, and seven states gained between 100 and 200 thousand immigrants. Of the 22 states that experienced increases in numbers of immigrants of 100 thousand or more, 12 had populations with 13 percent (the U.S. average) or more foreign-born in 2011-2013, and 10 had populations with smaller percentages of foreign-born.

TABLE 9-1 Percentage Foreign-born Population by State, 2011-2013 and 2000, Ordered from Highest to Lowest Percentage Foreign-born in 2011-2013

State	Percentage Foreign-born		Percentage Point Change	Number Foreign-born (in thousands)	
	2011-2013	2000	Since 2000	2011-2013	Change Since 2000
California	27	26	+1	10,262	1,397
New York	22	20	+2	4,376	508
New Jersey	21	18	+3	1,902	425
Florida	19	17	+2	3,760	1,089
Nevada	19	16	+3	528	211
Hawaii	18	18	0	249	37
Texas	16	14	+2	4,273	1,373
Massachusetts	15	12	+3	1,010	237
Connecticut	14	11	+3	491	121
District of Columbia	14	13	+1	90	16
Illinois	14	12	+2	1,801	272
Maryland	14	10	+4	835	317
Arizona	13	13	0	880	224
Rhode Island	13	11	+2	138	19
Washington	13	10	+3	922	308

Virginia	11	8	+3	937	367
Georgia	10	7	+3	955	378
Colorado	10	9	+1	502	132
New Mexico	10	8	+2	204	55
Oregon	10	9	+1	384	94
Delaware	9	6	+3	78	33
North Carolina	8	5	+3	738	308
Utah	8	7	+1	240	82
Alaska	7	6	+1	52	15
Kansas	7	5	+2	195	60
Minnesota	7	5	+2	400	140
Idaho	6	5	+1	94	30
Michigan	6	5	+1	610	87
Nebraska	7	4	+2	120	45
New Hampshire	6	4	+2	74	20
Oklahoma	6	4	+2	214	83
Pennsylvania	6	4	+2	778	270
Arkansas	5	3	+2	135	61
Indiana	5	3	+2	310	123
Iowa	5	3	+2	142	50
South Carolina	5	3	+2	227	111
Tennessee	5	3	+2	302	143
Wisconsin	5	4	+1	273	79
Louisiana	4	3	+1	177	61
Missouri	4	3	+1	239	87
Ohio	4	3	+1	465	126
Vermont	4	4	0	26	3
Alabama	3	2	+1	165	77
Kentucky	3	2	+1	143	62
Maine	3	3	0	46	9
North Dakota[a]	3	2	+1	19	6
South Dakota	3	2	+1	24	10
Wyoming	4	2	+2	20	9
Mississippi	2	1	+1	66	26
Montana[a]	2	2	0	20	3
West Virginia	2	1	+1	28	8
United States	13	11	+2	40,918	9,910

SOURCE: Foreign-born in 2000 from 2000 Decennial Census long-form sample, Summary File 4, Table QT-P14, Population Group—Total population, Nativity, Citizenship, at www.census.gov. Foreign-born in 2011-2013 from ACS 3-year estimates, Table S0501: Selected Characteristics of the Native and Foreign-Born Populations, at www.census.gov.

[a]Estimate is from the ACS 5-year estimates because 3-year estimates are not available due to small sample size.

Geographic Distribution of Independent Persons by Generation, 2011-2013

Turning to our analysis for 2011-2013, we first consider the composition by state of independent person populations from the CPS ASEC, classified by immigrant generation (first, second, or third-plus). Table 9-2 provides estimates of the three immigrant generations as percentages of each state's population of independent persons, ordered from highest to lowest percentage for the first generation. We use this ordering for subsequent tables as well, to help readers focus on the states with the largest percentages of first generation independent persons, which are also the states with the largest sample sizes for the first generation. (Tables 9-13 and 9-14 in the Technical annex provide, respectively, annualized weighted sample counts and total 3-year unweighted counts of first, second, and third-plus generation independent persons by state in the pooled CPS ASEC data for 2011-2013.)[9] For the United States as a whole, first generation independent persons are 16 percent of all independent persons, second generation independent persons are 8 percent of all independent persons, and third-plus generation independent persons are 76 percent of all independent persons.[10]

By state, West Virginia has the lowest proportion of first generation independent persons in the state's total independent population (1 percent) and California has the highest proportion (35 percent). Ten states have first generation independent populations that make up less than 5 percent of the state's total independent population.[11] First generation independent individuals in these 10 states (and the other 26 states below the national average of 16 percent) are less represented in the first generation independent population nationwide than are all of their independent individuals in the national independent population. Seven states have first generation independent populations that comprise at least 20 percent of their total independent population.[12] First generation individuals in these seven states (and the other seven states and District of Columbia above the national average) are more represented in the first generation independent population nationwide than are all of their independent populations in the national independent population. Consequently, caution should be taken in comparing *national* averages of state and local revenue and expenditure flows for the first, second, and third-plus generations, due to the differing composition of individuals in each state among the three generations.

[9]As noted in Tables 9-13 and 9-14, the full 2011-2013 sample does not account for overlap among sample cases due to the rotation group design of the survey.

[10]The estimated percentages of first generation independent persons in 2011-2013 in Table 9-2 are generally higher than the corresponding estimated percentages of foreign-born in Table 9-1 (e.g., 16 percent versus 13 percent for the United States). The reason is that the denominator in Table 9-2 is all independent persons (essentially all adults) and not the total population, combined with the fact that, proportionally, the first generation includes more independent persons compared with dependent children (considered in their own right) than does the remaining population. Nonetheless, the ordering of states is not that different between Tables 9-1 and 9-2.

[11]These 10 states are Alabama, Louisiana, Maine, Mississippi, Missouri, Montana, North Dakota, South Dakota, West Virginia, and Wyoming.

[12]These seven states are California, Florida, Hawaii, Nevada, New Jersey, New York, and Texas.

TABLE 9-2 Percentage Independent Persons by Immigrant Generation, by State, 2011-2013, Ordered from Highest to Lowest Percentage First Generation Independent Persons)

	Immigrant Generation (% of Total Independent Persons in State)		
State	First	Second	Third+
California	35	15	50
New Jersey	28	12	60
New York	27	12	60
Nevada	25	11	64
Florida	23	9	68
Texas	21	10	69
Hawaii	21	15	64
Maryland	19	7	74
Arizona	18	11	70
District of Columbia	17	8	74
Massachusetts	17	12	71
Illinois	17	8	75
Washington	17	10	74
Connecticut	16	11	72
Rhode Island	16	14	70
Virginia	14	5	82
Delaware	12	4	83
Georgia	12	3	85
New Mexico	12	7	81
Oregon	11	8	81
Colorado	11	7	82
Alaska	11	7	82
Nebraska	11	4	85
Idaho	10	5	85
North Carolina	10	4	87
Utah	9	6	85
Michigan	9	6	85
Minnesota	9	5	86
Kansas	8	4	88
Pennsylvania	7	6	87
Iowa	6	3	90
New Hampshire	6	8	86
Wisconsin	6	5	90
Tennessee	5	2	92
Arkansas	5	2	93
Kentucky	5	2	93
South Carolina	5	2	93
Oklahoma	5	3	92
Vermont	5	8	87
Indiana	5	4	92

Ohio	5	4	91
Louisiana	4	2	94
Missouri	4	3	93
South Dakota	4	4	92
Alabama	4	2	94
Maine	3	7	89
North Dakota	3	5	92
Wyoming	3	4	93
Montana	3	6	92
Mississippi	3	1	96
West Virginia	1	2	96
United States	16	8	76

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of independent person and immigrant generation. Rows may not sum to 100% for a state due to rounding error (values of 0.5 to 0.9 percent are rounded up).

Demographic Distributions of Independent Persons, 2011-2013

The three immigrant generations of independent persons that we define differ among themselves within and among states on characteristics that affect the net fiscal benefit or burden they entail for their state (and its localities). Among these characteristics are age, number of dependent children associated with the independent person unit, unit income, and education, for which we provide a broad overview below.

Age

The age of an independent person has an effect on the person's net fiscal benefit or burden for the state and locality. Working-age people with employment, for example, typically pay significantly more in taxes than they receive from expenditures and therefore provide a net fiscal benefit to their state and locality, other things equal. However, if their independent person unit includes dependent children, these benefits are lessened and often reversed because of costs for the children's education and other services. We observed these patterns in the national level analyses in Chapter 8 as well. The net fiscal benefit or burden of retirees will depend on a state's tax structure and social services for the elderly; for low-income retirees on Medicaid, the net fiscal impact is likely to be negative.[13]

Table 9-3 shows the average age of independent persons by state and generation and the percentage who are 65 and older in our data for 2011-2013. Nationwide, first generation independent persons are 45.8 years old on average; second generation independent persons are older, at 46.5 years on average; and third-plus generation independent persons are older still, at 48.5 years on average. Nationwide, the elderly population (age 65+) comprises 14

[13]As indicated in Table 9-12, Medicaid costs for the institutionalized, who are not represented in the CPS ASEC, are not included in the allocation of expenditures to independent person units.

percent of first generation independent persons, 23 percent of second generation independent persons, and 19 percent of third-plus generation independent persons.

The general patterns evident for the nation hold for states, but there are some significant exceptions. For example, among the seven states with the highest percentages of first generation independent persons, the average age of this generation varies from 44 years in Texas to 51 years in Hawaii. Florida has higher-than-average percentages of people age 65 and older in all three generations (20 percent, 27 percent, and 24 percent, respectively), while Hawaii has even higher percentages of people age 65 and older in its first and second generation independent person populations (24 percent and 32 percent, respectively) but a lower-than-average percentage in its third-plus generation independent person population (17 percent).

TABLE 9-3 Average Age and Percentage Aged 65 and Older, Independent Persons by Immigrant Generation by State, 2011-2013

State	Immigrant Generation							
	First		Second		Third+		All	
	Avg. Age	% 65+	Avg. Age	% 65+	Avg. Age	% 65+	Avg. Age	% 65+
California	47	14%	41	14%	48	19%	47	16%
New Jersey	45	14%	52	35%	49	19%	48	19%
New York	48	19%	49	28%	48	17%	48	19%
Nevada	47	15%	44	24%	48	18%	47	18%
Florida	49	20%	49	27%	51	24%	50	23%
Texas	44	9%	41	12%	47	17%	46	15%
Hawaii	51	24%	51	32%	48	17%	49	21%
Maryland	45	13%	45	20%	48	18%	48	17%
Arizona	46	13%	46	22%	49	19%	48	19%
District of Columbia	42	10%	39	11%	45	17%	44	16%
Massachusetts	47	16%	53	38%	48	18%	49	20%
Illinois	45	13%	45	22%	49	19%	48	18%
Washington	45	14%	47	22%	48	18%	48	18%
Connecticut	47	15%	55	38%	49	17%	49	19%
Rhode Island	47	14%	54	40%	48	18%	49	20%
Virginia	44	11%	44	13%	49	19%	48	18%
Delaware	42	10%	53	38%	50	21%	49	21%
Georgia	42	9%	39	9%	47	16%	46	15%
New Mexico	44	8%	45	18%	50	23%	49	21%
Oregon	44	9%	48	24%	49	20%	49	19%
Colorado	44	12%	47	21%	47	17%	47	16%
Alaska	47	15%	41	11%	46	12%	45	13%
Nebraska	40	6%	49	32%	48	19%	47	18%

State	Immigrant Generation							
	First		Second		Third+		All	
	Avg. Age	% 65+	Avg. Age	% 65+	Avg. Age	% 65+	Avg. Age	% 65+
Idaho	43	11%	43	17%	49	21%	48	20%
North Carolina	42	6%	44	20%	49	21%	48	19%
Utah	42	7%	43	15%	45	16%	44	15%
Michigan	46	17%	55	39%	49	19%	49	20%
Minnesota	42	11%	52	34%	48	18%	48	18%
Kansas	43	10%	47	26%	48	21%	48	20%
Pennsylvania	44	13%	58	45%	49	20%	49	21%
Iowa	41	6%	51	36%	48	18%	48	18%
New Hampshire	46	13%	57	42%	48	17%	49	18%
Wisconsin	44	10%	57	41%	49	19%	49	20%
Tennessee	40	8%	46	18%	49	20%	48	19%
Arkansas	39	8%	42	14%	49	22%	48	21%
Kentucky	41	9%	44	18%	48	19%	48	18%
South Carolina	43	10%	49	20%	49	20%	49	20%
Oklahoma	42	7%	40	15%	48	20%	48	19%
Vermont	50	22%	56	35%	49	18%	49	20%
Indiana	43	10%	47	24%	49	20%	49	20%
Ohio	44	16%	54	32%	49	20%	49	20%
Louisiana	45	13%	44	14%	48	19%	48	19%
Missouri	44	12%	52	32%	48	19%	48	20%
South Dakota	41	8%	59	49%	48	18%	48	19%
Alabama	42	9%	48	19%	49	19%	48	19%
Maine	47	16%	59	44%	49	19%	50	21%
North Dakota	41	7%	62	58%	46	15%	47	17%
Wyoming	43	11%	54	35%	47	16%	47	17%
Montana	45	15%	61	52%	49	22%	49	23%
Mississippi	43	9%	44	14%	49	20%	49	20%
West Virginia	48	17%	52	31%	50	19%	50	19%
Top 15 states by % in first generation	47	15%	45	21%	48	19%	48	18%
United States	46	14%	47	23%	48	19%	48	19%

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTES: See text for definitions of independent person and immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

Number of Dependent Children

The number of children in an independent person unit has an important effect on its net state and local benefit or burden, primarily stemming from the expenditure side of the ledger, for at least two reasons. First, education expenditures, which are allocated to school-age children, are a large item in state and local budgets (23 percent on average). Second, the more children in an independent unit, the larger the amount the unit is assigned for expenditures that are allocated to all persons (these expenditures total 49 percent on average—4 percent on other education and libraries and 45 percent on all other—see Table 9-12 in the technical annex to this chapter). Similarly, revenues that are allocated to all persons also total about half of revenues—see Table 9-11 in the technical annex to this chapter.[14]

In our data for 2011-2013, nationwide, first generation independent persons have an average of 0.52 children per unit, second generation persons have an average of 0.33 children per unit, and third-plus generation persons have an average of 0.36 children per unit (see Table 9-15 in the technical annex to this chapter). For most states, independent individuals in the second generation have fewer children than those in the first and third-plus generations, although the second and third-plus generations are quite similar (independent persons of the second generation in California have more children on average than do those in the third-plus generation). Among the seven states with the largest percentages of first generation independent persons, the average number of children per first generation independent person unit ranges from 0.39 in Florida to 0.64 in Texas, while the range per second generation independent person unit is from 0.24 in New Jersey to 0.47 in Texas. The range per third-plus generation independent person unit is from 0.31 in Florida to 0.38 in Texas. For the next seven states and District of Columbia that have between 15 and 20 percent of their independent persons in the first generation, the variation is even greater, with the District of Columbia having the lowest average number of children in each generation. States with smaller shares of immigrants also show wide variation in their average number of children per independent person, with Vermont averaging 0.29 children while Utah averages 0.53 children.

Income and Education

Income levels affect taxes paid and benefits received for independent persons and their children (see Table 9-16 in the technical annex to this chapter). Nationwide, average adjusted gross income (AGI) is lowest among first generation independent person units at about $29,450 per unit, considerably higher among second generation independent person units at $34,900 per unit, and higher still among third-plus generation units at $35,900 per unit. Among the seven states with the highest percentages of first generation independent person units, average AGI for the first generation varies from $26,100 per unit in Texas to $35,700 per unit in New Jersey. Average AGI for the second generation in these seven states varies from $28,250 per unit in Nevada to $37,900 per unit in New Jersey. For third-plus generation

[14]A few of the expenditures and revenues we include in the group of those allocated to all persons are allocated selectively based on age. Liquor store expenditures, which are part of other expenditures, are allocated to all persons age 21 and up. Motor fuels and tobacco product sales taxes, which are part of selective sales taxes, and motor vehicle license and motor vehicle operators license revenues, which are part of other revenues, are allocated to all persons age 18 and up. Alcoholic beverage sales taxes, which are part of selective sales taxes, and liquor store revenues, which are part of other revenues, are allocated to all persons age 21 and up.

independent person units, New Jersey again has the highest average income of $47,250, in contrast to the lowest average income for third-plus generation independent person units of $33,800 in Florida. Among states with over one-quarter of their independent persons in the first or second generation (or at least 15 percent of independent individuals in the first generation), Arizona has the lowest average income for first generation independent person units ($25,100).

Income levels relate to education levels, and education levels differ significantly across generations. A larger percentage of first generation independent persons have not received a high school degree (28 percent) than is the case for the second and third-plus generations (10 percent and 9 percent, respectively). However, the percentage of first generation immigrants with advanced degrees beyond a bachelor's degree is comparable to that of the other two generations (all between 10 and 12 percent; Table 9-17 in the technical annex to this chapter presents the state-by-state figures). The percentage with at least a bachelor's degree is likewise comparable between the first and third-plus generations (28 percent and 29 percent, respectively). However, these statewide averages in part mask differences in higher education both across and within states. For example, in California, 8 percent of first generation independent persons have more than a bachelor's degree, compared with 10 percent for second generation and 12 percent for third-plus generation independent persons. The District of Columbia has the highest share of individuals with more than a bachelor's degree (29 percent), but 45 percent of second generation independent persons have more than a bachelor's degree compared to 27 and 28 percent, respectively, of first and third-plus generation individuals. Part of the difference comes about because many of the states with small immigrant populations also have lower numbers of residents with more than a bachelor's degree.

9.4 FISCAL VARIATION AMONG STATES, 2011-13

We next look at state and local government revenues and expenditures by state and immigrant generation. States must generally balance their budgets year by year, but they vary greatly in the types and amounts of taxes they levy and the level of services they provide. Given the large differences in population size among states, it is important when examining state and local government fiscal data to convert the information to an appropriate population base. While we have calculated revenues, expenditures, and net fiscal effects for all states, the discussion below focuses on the 14 states and the District of Columbia with at least one-quarter of independent persons in the first or second generation (these states and the District of Columbia also have the 15 highest percentages of first generation individuals). Calculations are available, and presented in the tables, for all states, but caution must be exercised when examining differences for other states, especially those near the bottom of the tables, due to limited sample sizes. We also round all dollar amounts to the nearest $50 to emphasize that the basis for our estimates is a relatively small sample. In the remainder of the chapter, we present estimates of revenues, expenditures, and net fiscal effects on a per-independent person unit basis (where dependent children and their revenues and expenditures are assigned to their parents).

State and Local Government Revenues

While most state governments rely on general sales and income taxes and local governments rely primarily on property taxes, the composition of state and local revenues varies substantially. Nine states (including Florida, Nevada, Texas, and Washington) do not levy a broad-based personal income tax, and five states do not levy a general sales tax.

Table 9-4 provides population-based revenue estimates by state for all independent person units and those in each generation with per-unit amounts derived using the allocation process described in Table 9-11 in the technical annex to this chapter. For the United States as a whole, 2011-2013 annualized state and local government revenue averaged $14,700 per independent person unit. This amount masks considerable variation by state, particularly at the higher end. Thus, 17 states averaged between $11,650 and $12,950 per independent person unit; 13 states averaged between $13,000 and $14,500; 16 states averaged between $14,550 and $17,800; and five states exceeded $17,800 per independent person unit. The five jurisdictions with the highest average state and local government estimated revenue per independent person unit were Alaska ($36,400), the District of Columbia ($27,600), Wyoming ($24,150), New York ($22,400), and North Dakota ($20,300), while the five states with the lowest state and local government estimated revenue per independent person unit were Idaho ($11,650), Florida ($11,800), New Hampshire ($11,850), Georgia ($11,900), and Arizona ($11,900). If we limit our analysis to the 15 jurisdictions with the largest shares of first and second generation immigrants, the average revenue per independent person unit is $15,750 and varies from $11,800 in Florida to $27,600 in the District of Columbia.

By generation nationwide, state and local government revenue averaged about the same amount per first generation and third-plus generation independent person unit: $14,350 and $14,700, respectively. Revenue was higher for the second generation, averaging $15,500 per second generation independent person unit. However, these national similarities among generations mask large differences across states among generations. For the 15 jurisdictions with the largest shares of first and second generation immigrants, the average revenue for an independent person unit in the third-plus generation exceeds that of a unit in the first generation by $1,450 ($16,100 versus $14,650) and is only slightly lower than that of a unit in the second generation ($16,200).

TABLE 9-4 State and Local Revenues per Independent Person Unit (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
California	$15,600	$18,450	$19,150	$17,800	−$3,550
New Jersey	14,350	15,050	16,700	15,850	−2,350
New York	20,200	22,200	23,450	22,400	−3,250
Nevada	11,500	12,350	13,100	12,650	−1,600
Florida	11,050	11,550	12,050	11,800	−1,000
Texas	11,950	12,950	12,850	12,650	−900
Hawaii	14,200	14,850	16,400	15,700	−2,200

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
Maryland	13,900	13,850	14,350	14,250	−500
Arizona	11,000	12,000	12,150	11,900	−1,150
District of Columbia	24,700	28,400	28,200	27,600	−3,500
Massachusetts	14,900	15,300	16,600	16,150	−1,700
Illinois	12,450	13,850	14,750	14,300	−2,250
Washington	14,650	14,900	15,250	15,100	−600
Connecticut	14,800	15,900	17,050	16,550	−2,250
Rhode Island	14,300	13,950	15,900	15,350	−1,600
Virginia	12,500	13,500	12,800	12,800	−300
Delaware	16,050	15,300	16,150	16,100	−100
Georgia	10,850	12,200	12,050	11,900	−1,200
New Mexico	17,450	15,400	14,850	15,200	2,600
Oregon	16,050	15,500	15,150	15,250	950
Colorado	12,950	14,200	14,250	14,100	−1,250
Alaska	37,250	38,700	36,100	36,400	1,150
Nebraska	15,700	15,550	16,400	16,300	−700
Idaho	10,400	11,600	11,800	11,650	−1,400
North Carolina	12,800	13,500	13,250	13,200	−450
Utah	13,650	13,650	13,900	13,850	−250
Michigan	12,300	12,450	13,250	13,100	−950
Minnesota	14,550	14,400	16,150	15,900	−1,600
Kansas	13,750	13,200	13,800	13,750	0
Pennsylvania	14,050	12,050	13,550	13,500	500
Iowa	15,750	15,000	15,150	15,200	600
New Hampshire	11,500	11,600	11,900	11,850	−400
Wisconsin	13,850	13,450	14,550	14,450	−700
Tennessee	12,000	11,750	12,250	12,250	−250
Arkansas	11,950	12,800	12,200	12,200	−300
Kentucky	12,200	13,750	12,050	12,100	150
South Carolina	13,150	14,550	12,900	12,950	300
Oklahoma	12,100	14,300	12,800	12,850	−700
Vermont	15,650	14,950	15,650	15,550	0
Indiana	12,400	12,350	12,250	12,250	150
Ohio	13,450	14,450	14,850	14,750	−1,350
Louisiana	12,950	14,450	14,650	14,550	−1,650
Missouri	12,150	12,800	12,500	12,500	−350
South Dakota	12,900	10,550	13,500	13,350	−600

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
Alabama	12,650	12,200	12,500	12,500	150
Maine	12,750	12,050	12,700	12,650	50
North Dakota	20,700	17,050	20,450	20,300	250
Wyoming	24,100	21,950	24,250	24,150	−150
Montana	15,000	10,700	13,450	13,350	1,550
Mississippi	14,450	15,050	14,350	14,400	100
West Virginia	16,100	13,350	12,950	13,000	3,100
Top 15 states by % in first generation	14,650	16,200	16,100	15,750	−1,450
United States	14,350	15,500	14,700	14,700	−350

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of revenues by state and generation. Because the difference between first and third-plus generation revenue amounts is taken from the unrounded estimates and then rounded to the nearest $50, the value may differ from the first generation column less the third-plus due to rounding in some cases. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). Caution should be taken when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

State and Local Government Expenditures

Spending varies across states, with some states raising and spending more money than others. Note that, due to balanced budget rules, the states that raised more revenues almost always spent more funds. Table 9-5 provides population-based expenditure estimates by state for all independent person units and by generation with per-unit amounts derived using the allocation process documented in Table 9-12 in the technical annex to this chapter. For the United States as a whole, 2011-2013 annualized state and local government expenditures averaged $13,850 per independent person unit, or about $900 less than was raised in revenue. Sixteen states had average expenditures between $10,450 and $11,950 per independent unit; 17 states were between $12,000 and $14,000; 13 states were between $14,050 and $16,700; and five states exceeded $16,700 of expenditures per independent unit. The five states with the highest average state and local government expenditures per independent unit were Alaska ($29,950), the District of Columbia ($28,500), Wyoming ($20,750), New York ($20,700), and California ($16,750); the lowest were Idaho ($10,450), Florida ($10,850), Arkansas ($10,900), Arizona ($10,900), and Indiana ($11,250). If the analysis is limited to the 15 states with the largest state share in the first generation, the average spending per independent person unit is $14,950 (which is higher than the national average) and ranges from $10,850 in Florida to $28,500 in the District of Columbia: the same two lowest and highest jurisdictions among these 15 for average revenue per independent person unit.

By generation, for the United States as a whole, annualized state and local government expenditures for the 2011-13 period were considerably higher for first generation independent person units ($15,950) than for second generation ($13,800) or third-plus generation ($13,400) independent person units. This was due to greater program participation (including public education). For the 15 states with the largest share of their independent population in the first generation, average expenditures for each immigrant generation were higher than the national averages by generation, but the gap *between* the generations was smaller (with average expenditures of $16,350 for the first generation versus $14,600 for the second and $14,450 for the third-plus generation).

TABLE 9-5 State and Local Expenditures per Independent Person Unit (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
California	$17,650	$16,900	$16,050	$16,750	$1,600
New Jersey	16,200	12,750	16,000	15,650	200
New York	21,700	17,800	20,850	20,700	800
Nevada	12,800	11,350	11,150	11,550	1,650
Florida	11,450	10,350	10,700	10,850	700
Texas	14,000	13,350	11,450	12,200	2,500
Hawaii	14,900	13,600	14,700	14,600	200
Maryland	13,950	11,800	13,800	13,700	150
Arizona	12,350	11,750	10,400	10,900	1,950
District of Columbia	27,500	21,300	29,500	28,500	−2,000
Massachusetts	17,150	13,000	16,150	15,950	1,050
Illinois	15,150	13,250	13,750	13,950	1,400
Washington	17,750	14,300	14,500	15,000	3,250
Connecticut	15,400	12,300	15,750	15,300	−350
Rhode Island	15,800	11,800	14,300	14,200	1,500
Virginia	13,050	12,200	11,950	12,150	1,100
Delaware	16,550	13,250	15,450	15,450	1,150
Georgia	12,100	11,550	11,200	11,300	850
New Mexico	19,950	15,150	13,850	14,650	6,150
Oregon	17,950	13,250	13,450	13,950	4,500
Colorado	15,950	13,150	13,300	13,600	2,600
Alaska	33,300	32,950	29,250	29,950	4,050
Nebraska	17,900	14,100	14,500	14,850	3,400
Idaho	11,450	11,000	10,300	10,450	1,150
North Carolina	13,450	11,750	11,750	11,900	1,700
Utah	15,550	14,100	13,400	13,650	2,200

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
Michigan	12,600	9,900	12,450	12,300	150
Minnesota	19,650	11,100	13,950	14,300	5,650
Kansas	16,200	12,050	12,600	12,900	3,600
Pennsylvania	15,300	10,300	13,300	13,250	2,000
Iowa	16,800	12,450	13,600	13,750	3,200
New Hampshire	12,050	9,850	11,350	11,300	700
Wisconsin	17,550	11,900	13,000	13,200	4,550
Tennessee	12,700	10,500	11,500	11,550	1,150
Arkansas	13,150	11,150	10,750	10,900	2,350
Kentucky	13,150	11,300	11,950	12,000	1,200
South Carolina	13,000	12,100	12,300	12,350	700
Oklahoma	11,900	12,350	11,350	11,400	600
Vermont	15,400	11,550	14,600	14,400	800
Indiana	12,250	10,600	11,200	11,250	1,050
Ohio	13,000	10,750	13,350	13,200	−300
Louisiana	13,400	15,550	14,850	14,800	−1,500
Missouri	12,350	10,550	11,300	11,350	1,050
South Dakota	13,450	9,050	11,650	11,600	1,800
Alabama	13,700	9,650	11,900	11,950	1,800
Maine	13,100	9,600	11,950	11,800	1,150
North Dakota	17,500	11,500	15,050	14,950	2,450
Wyoming	22,800	18,400	20,800	20,750	2,000
Montana	13,100	9,500	12,550	12,350	600
Mississippi	13,150	12,400	13,000	13,000	150
West Virginia	15,550	9,500	11,450	11,450	4,100
Top 15 states by % in first generation	16,350	14,600	14,450	14,950	1,950
United States	15,950	13,800	13,400	13,850	2,550

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of expenditures by state and generation. Because the difference between first and third-plus generation expenditure amounts is taken from the unrounded estimates and then rounded to the nearest $50, the value may differ from the first generation column less the third-plus due to rounding in some cases. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). Caution should be exercised when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

9.5 AGGREGATE FISCAL EFFECTS BY STATE

Total state and local government revenues averaged $3.3 trillion per year in 2011-13, while total state and local government expenditures averaged $3.17 trillion, nearly balancing out. In theory, when one looks across the amount of revenues contributed by each generation and the expenditures received by each generation, and if balanced budget rules held, the net total across generations in each state should be zero. In fact, because certain state and local funds run surpluses and deficits, no state actually has state and local revenues precisely equal to state and local expenditures. California, the state with the largest population and the largest number and percentage of first generation independent person immigrants, had the largest positive net difference in dollars between total average annual state and local revenue and expenditure flows in 2011-13 ($22.9 billion) out of all 50 states and the District of Columbia. With spending exceeding revenues by $2.4 billion, Pennsylvania had the largest negative net difference in dollars. The District of Columbia had the largest negative net difference as a percentage of state and local revenues (−6 percent), while North Dakota had the largest positive net difference (+23 percent).

We exclude the institutional portion of Medicaid spending ($72 billion) from our estimates due to missing this population in our data, which widens the gap between aggregate U.S. revenues and expenditures in 2011-13. After we take out institutional Medicaid spending, all but two states have positive budget balances (compared with seven negative-balance states when all expenditure flows are included).

Nationwide, the fact that the state and local government revenues we allocated exceeded expenditures by $197 billion, after excluding institutional Medicaid spending, means that an average net difference of $900 was assigned per independent person unit. By state, average net differences resulting from fiscal imbalances that were assigned at the unit level varied from -$850 in the District of Columbia to $6,450 in Alaska (see the “All” column of Table 9-6). With net differences in revenues and expenditures ranging from positive to negative across states, when comparing net differences per independent person unit for different immigrant generations, it can be difficult to disentangle how much variation is from across-generation cost differences versus net cost differences among states.

Our analysis is for a specific time period for which state fiscal balances may not be typical. For example, the difference between state and local total revenues and total expenditures was positive in 2011 ($281 billion, or $353 billion after excluding Medicaid institutional spending). In 2012, this switched to a negative difference, largely due to a very significant decline in insurance trust revenue (government employee retirement revenue fell from $554.3 billion to $169.9 billion) between the two years, reflecting changes due to delayed payments during the recession. In 2013, the net fiscal state balance became positive again. To smooth out these cycles, we averaged revenues and expenditures for 2011-2013. If 2011 rather than 2011-13 state and local revenue and expenditure amounts were assigned to our sample, the average net difference per independent person unit would become even more positive, going from $900 to approximately $1,600 per independent person unit. If, instead, we had used 2012 amounts, the individual unit average net difference would turn negative (−$200). If we had eliminated all insurance trust contributions and payments along with excluding the institutional portion of Medicaid spending, averaged over the 2011-13 period, 11 states would be estimated to have higher expenditures than revenues, while, on average per

independent person unit, there would be $200 more in revenues raised than spent in the country as a whole.

9.6 NET EFFECTS OF IMMIGRATION ON STATE AND LOCAL BUDGETS

Estimated Differences in Net Fiscal Effects per Independent Person Unit by Generation

Table 9-6 shows the estimated net differences between state and local revenues and expenditures, by generation per independent person unit. Our estimates are derived using the replicate weights in the 2011-2013 CPS ASEC, whereby calculations of net differences are run many times in order to estimate an appropriate standard error and coefficient of variation, or CV (the standard error as a percent of the estimate). We used replicate weights and show CVs in this part of the analysis (see Table 9-18 in the technical annex to this chapter) because we have reached the primary question of interest: how much do first and second generation units cost their states and localities? Also, the net differences are the result of balancing revenue and expenditure assignments, thereby magnifying the errors in each.[15]

TABLE 9-6 Net Difference between State and Local Revenues and Expenditures per Independent Person Unit (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
California	−$2,050	$1,550	$3,100	$1,050	−$5,150
New Jersey	−1,850	2,300	700	200	−2,550
New York	−1,500	4,400	2,600	1,700	−4,050
Nevada	−1,300	1,000	1,950	1,050	−3,250
Florida	−350	1,200	1,350	950	−1,700
Texas	−2,050	−400	1,400	450	−3,450
Hawaii	−700	1,250	1,700	1,150	−2,400
Maryland	−100	2,050	550	550	−650
Arizona	−1,350	250	1,750	1,000	−3,100
District of Columbia	−2,800	7,100	−1,300	−850	−1,500
Massachusetts	−2,250	2,300	500	250	−2,750
Illinois	−2,700	550	1,000	350	−3,650
Washington	−3,050	600	750	100	−3,850
Connecticut	−600	3,550	1,300	1,250	−1,900
Rhode Island	−1,500	2,100	1,600	1,150	−3,100
Virginia	−600	1,300	800	650	−1,400
Delaware	−500	2,050	750	650	−1,250

[15]Not only does the CPS ASEC have sampling error, which is large for many states even pooled over three years, but also both the CPS ASEC and the COG have other sources of error, such as response error, imputation error, and the like.

Georgia	−1,250	650	800	550	−2,050
New Mexico	−2,550	250	1,000	550	−3,550
Oregon	−1,900	2,250	1,650	1,300	−3,550
Colorado	−2,950	1,050	900	500	−3,850
Alaska	3,950	5,800	6,850	6,450	−2,900
Nebraska	−2,200	1,500	1,900	1,450	−4,100
Idaho	−1,050	600	1,500	1,200	−2,550
North Carolina	−650	1,700	1,500	1,300	−2,150
Utah	−1,950	−450	500	250	−2,450
Michigan	−250	2,550	800	800	−1,050
Minnesota	−5,100	3,250	2,200	1,600	−7,250
Kansas	−2,450	1,150	1,150	850	−3,600
Pennsylvania	−1,250	1,750	250	250	−1,500
Iowa	−1,000	2,550	1,550	1,450	−2,600
New Hampshire	−550	1,750	550	600	−1,100
Wisconsin	−3,650	1,550	1,550	1,250	−5,250
Tennessee	−700	1,250	750	700	−1,450
Arkansas	−1,200	1,650	1,450	1,300	−2,650
Kentucky	−950	2,400	100	100	−1,050
South Carolina	150	2,400	550	600	−450
Oklahoma	200	1,950	1,500	1,450	−1,300
Vermont	250	3,400	1,000	1,150	−750
Indiana	150	1,750	1,050	1,050	−900
Ohio	450	3,650	1,500	1,550	−1,050
Louisiana	−400	−1,100	−250	−250	−200
Missouri	−150	2,250	1,200	1,200	−1,400
South Dakota	−550	1,500	1,850	1,750	−2,400
Alabama	−1,100	2,500	550	550	−1,650
Maine	−350	2,450	750	850	−1,100
North Dakota	3,250	5,500	5,400	5,350	−2,200
Wyoming	1,300	3,550	3,450	3,400	−2,150
Montana	1,850	1,250	950	950	950
Mississippi	1,300	2,600	1,350	1,400	−50
West Virginia	550	3,850	1,500	1,550	−950
Top 15 states by % in first generation	−1,700	1,650	1,650	800	−3,400
United States	−1,600	1,700	1,300	900	−2,900

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of revenues and expenditures by state and generation. Because the difference between first and third-plus generation net difference (revenue less expenditure) amounts is taken from the unrounded estimates and then rounded to the nearest $50, the value may differ from the first generation column less the third-plus due to rounding in some cases. Similarly, because differences between revenues and expenditures are calculated on unrounded numbers and then the difference is rounded, these values may differ from calculated differences between Table 9-4 and 9-5. States are listed from highest to lowest percentage of first generation independent persons in the

state's population of independent persons (see Table 9-2). Caution should be taken when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

As seen in Table 9-6, for the United States as a whole, **first generation independent person units (which include first and second generation children assigned to independent first generation persons) cost the states on net about $1,600 each. In contrast, second generation independent person units (which include second and third generation children assigned to independent second generation persons) contribute on net to state and local budgets about $1,700 each, and third-plus generation independent person units (which include their children) contribute on net to state and local budgets about $1,300 each.**[16] These estimates of the fiscal impact imply that the total annual aggregate impact of the first generation and their dependents, averaged across 2011-13, is a cost of $57.4 billion, while the second and third-plus generation individuals (and their children) create benefits of $30.5 billion and $223.8 billion, respectively. Note that the surplus revenues raised amount to $197 billion, which equals the surplus across all 50 states.[17] **This overall pattern is largely driven by the larger education costs for first generation independent person units, which include more children on average than units of the other two generations. By the second generation, immigrants are a net win for the states as a whole, given that they have fewer children on average than first generation units and are contributing in revenues more than they cost in expenditures.**[18] State by state, however, there are wide variations in net gains or losses, although the panel is unable to make claims as precisely as we would like for many of our state and local estimates because of the large sampling errors.

The demographic differences between the first, second, and third-plus generation independent person units serve as the drivers of the differences in revenue and expenditure flows across them. First generation independent person units generate higher costs due to the presence of more dependent children, on average, in those units. Much of this

[16]The finding here, that the first generation generates higher net fiscal costs at the state and local level, is consistent with that from the parallel analysis in Chapter 8 (Table 8-1). The numbers for the second and third-plus generations here and for the second and third-plus generation in Chapter 8 do not map exactly, due to slight methodological differences. The Chapter 8 analysis is for 2013, while the analysis here averages over the 2011-2013 period. More importantly, the two analyses treat grant-in-aid spending from the federal government (which pays for programs like Medicaid and some welfare programs) differently. Chapter 9 includes these revenue transfers to states in state revenues (with the exception of the institutional portion of Medicaid spending), while Chapter 8 does not. Also, in Chapter 8, the funding raised by the federal government to pay for the grants-in-aid is treated as either federal taxes or federal deficit spending, which leads to both lower spending and lower revenue estimates at the state and local level. Finally, in the Chapter 8 analysis, there is no balanced budget assumption—the aggregates are as reported in the National Income and Product Accounts. If grants-in-aid are taken off both sides of the state/local ledger, the net fiscal balance becomes more negative.

[17]The $197 billion aggregate surplus here is calculated by totaling the unrounded estimates of net fiscal effects by state multiplied by the average number of independent persons in each year (Table 9-13); this will differ somewhat from the total if the rounded estimates in Table 9-6 are used instead.

[18]These results are driven by the fact that the costs of dependents are assigned to their parents. If, instead, taxes paid and services received were assessed at the individual level, with dependent children considered in their own right, the relative costs would shift across groups. Because half of all second generation individuals are dependents, allocating all costs and benefits to each person (rather than wrapping up dependent children to independents) would cause the average net fiscal cost for first generation individuals to decline and reverse sign in many states, while the costs for second generation individuals would increase.

comes from the assignment of K−12 education spending, which accounts for 16 percent of all state and local spending. If we remove all K−12 education expenditures from our estimates, rather than assigning school spending to the students themselves (which in most cases means wrapping it up to the independent parents/individuals who support them), the spending difference between the first and third-plus generations decreases from $2,900 to $1,950, a 32 percent decrease.

Beyond education spending, the 45 percent of spending flows that are classified as "other" (hospitals, health, veterans' services, etc.—see Table 9-12 in the technical annex to this chapter) is allocated to all people, both dependent and independent, evenly. Thus, first generation independent individuals on average have higher total expenditure amounts from these flows allocated to all because they have more flows wrapped up from more dependent children. However, if a portion of these spending costs were treated as fixed expenditure flows, irrespective of population numbers (analogous to the treatment of national defense in some scenarios in Chapter 8), the addition of first generation independent person units to the population base would reduce these average costs for the second and third-plus generation units; the dollar amounts would be spread across a larger population (which is what we did in our baseline estimates), but the marginal cost to the state would not change. Additionally, although it is not evident in cross-sectional estimates, the majority of the dependent children of first generation immigrants who are second generation and whose costs are assigned to their parents will go on to become net contributors once they reach working ages.

Although per unit spending on the second generation independent person units is slightly more than it is on the third-plus generation units, the per unit net *difference* between revenues and expenditures is the most *positive* for second generation independent person units. With a positive net difference of $1,700, second generation independent person units contribute $400 more on average than third-plus generation units. This corroborates findings reported in Chapter 8. However, this is largely due to the distribution of second generation independent person units across states, rather than the relative contribution of second versus third-plus generation units within a state. The third-plus generation independent person units contribute less in taxes and other revenue flows on average than the second generation, despite having the highest average income of all three generations. Looking at specific tax flows, the second generation units contribute the most in both state income tax and general sales tax on average, followed by the third-plus generation units and then the first generation independent person units, reflecting the lower average AGI of first generation independent persons in the sample. However, this is driven by differences in tax structures in place across different states, rather than differences in the characteristics of the independent person units.

Note that the average U.S. spending and revenues raised per independent person unit hide differences across states. Thus, because many of the states with small numbers of first generation independent person units also have lower spending and taxes, the spending per third-plus generation independent person unit is lower for these states than for the states where immigrants often settle. Focusing on the 14 states and the District of Columbia with the highest share of first generation independent person units, one can see differences across generations as well. Moreover, as noted above, these differences can vary from year to year depending on whether a state is running a surplus or deficit. While first generation independent person units have more spent on them than revenues contributed in these 15 jurisdictions, this amount varies from a net cost of $100 in Maryland to a net cost of $3,050 in

Washington state. For the second generation independent person units, while on average across states more revenues are raised than money spent on them, the differences vary from a net cost of about $400 per second generation independent person unit in Texas to a net contribution of $7,100 per such unit to the District of Columbia's budget. Similarly, whether an average third-plus generation independent person unit costs or contributes to a state (and local) budget varies from a net cost of $1,300 in the District of Columbia to a net contribution of $3,100 in California. These differences are largely driven both by different demographic and economic characteristics of individuals and by fiscal choices made by state and local governments.

Estimated Differences in Net Fiscal Effects at the Household Level

If, instead of independent person units, one were to use self-identified households, very similar patterns result across generations (as defined by the generation of the designated head of household), albeit the estimates are often about double the estimates for independent person units. That is, one finds that first generation households in general have higher state and local net costs or smaller contributions than do the second or third-plus generation households (see Table 9-7). Again, this pattern varies across states, with second generation households often, but not always, contributing more to a state and local surplus than either first or third-plus generation households. The estimated amounts are higher because, typically, average household size includes more than one independent person. Differences in household size and composition will affect the relative size of net contribution or burden. Table 9-19 in the technical annex to this chapter presents information on average household size by generation (of head of household) by state. Table 9-20 in the technical annex to this chapter provides annualized weighted sample counts of first, second, and third-plus generation households by state in the pooled CPS ASEC 2011-2013 data.[19]

An advantage of using households as the unit of analysis is that assumptions do not have to be made about allocation of income, dependents, or receipt of social services among independent persons in the household—they can be assigned to the whole household. However, a single generation status must be assigned to the entire household, even for cases in which different independent persons within the household are of different generations. Thus, for the estimates presented here, the panel assigned generation status at the household level using the generational status self-reported by the householder. However, for mixed cases, if the non-immigrant is more likely to be the householder (say, because of more facility with English), then our estimates will be muddied. While not the standard procedure, which would use either all individuals, all households, or all families, presenting results according to independent person units (and assigning dependent children to their parents to form a unit) provides a cleaner comparison, as it avoids inconsistencies caused by differences in household size or composition.

[19] As noted in Table 9-20, the full 2011-2013 household sample does not account for overlap among sample cases due to the rotation group design of the survey.

TABLE 9-7 Net Difference between State and Local Revenues and Expenditures per Household Unit (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

	Immigrant Generation (Household Units)			
State	First	Second	Third+	All
California	−$4,400	$2,500	$5,750	$2,150
New Jersey	−4,400	4,200	1,500	400
New York	−2,750	7,600	4,600	3,100
Nevada	−2,500	1,700	3,400	1,950
Florida	−800	1,950	2,400	1,700
Texas	−4,550	−300	2,500	900
Hawaii	−2,300	3,150	3,600	2,400
Maryland	−450	4,600	1,000	1,000
Arizona	−2,800	−150	3,250	1,800
District of Columbia	−5,650	11,100	−1,950	−1,400
Massachusetts	−4,200	4,400	750	450
Illinois	−5,350	750	1,650	600
Washington	−6,600	800	1,450	200
Connecticut	−1,050	5,200	2,550	2,300
Rhode Island	−3,050	3,950	2,850	2,100
Virginia	−1,650	3,900	1,400	1,200
Delaware	−700	2,600	1,350	1,200
Georgia	−2,450	300	1,450	1,000
New Mexico	−5,050	−700	1,950	1,000
Oregon	−3,900	4,500	3,000	2,400
Colorado	−6,200	2,050	1,650	900
Alaska	7,350	10,300	12,300	11,700
Nebraska	−4,450	2,750	3,300	2,600
Idaho	−2,000	700	2,800	2,250
North Carolina	−1,650	2,000	2,700	2,300
Utah	−4,800	−1,150	1,050	450
Michigan	−650	4,650	1,450	1,450
Minnesota	−10,000	4,550	3,900	2,900
Kansas	−5,050	2,200	2,000	1,550
Pennsylvania	−2,150	2,950	450	450
Iowa	−2,250	2,100	2,850	2,550
New Hampshire	−1,000	2,050	1,150	1,100
Wisconsin	−8,300	2,450	2,800	2,250
Tennessee	−300	1,650	1,300	1,250
Arkansas	−2,150	5,000	2,550	2,400
Kentucky	−1,700	3,500	150	150
South Carolina	−100	1,000	1,100	1,050
Oklahoma	500	3,150	2,650	2,550
Vermont	−850	5,000	1,950	2,100
Indiana	200	4,700	1,800	1,850
Ohio	850	6,600	2,600	2,750

Louisiana	−850	1,250	−500	−450
Missouri	50	3,150	2,100	2,050
South Dakota	−2,300	3,400	3,200	3,050
Alabama	−1,300	5,450	1,000	1,000
Maine	−500	3,400	1,400	1,500
North Dakota	4,900	8,500	9,350	9,200
Wyoming	3,700	6,450	6,000	5,950
Montana	1,950	2,100	1,650	1,650
Mississippi	2,350	8,000	2,400	2,500
West Virginia	2,700	7,600	2,600	2,700
Top 15 states by % in first generation	−3,600	2,850	3,050	1,550
United States	−3,300	3,000	2,400	1,600

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of revenues and expenditures by state and generation and for definitions of household immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). Caution should be taken when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

Decomposing Cross-Generation Differences

To highlight the relationship between the demographic and economic differences across generations of independent person units and the variations in state and local revenues and expenditures across these generations, the panel examined how differences in characteristics like age structure and education levels of the first, second, and third-plus generations impact the average net contribution (or burden) of independent person units of each generation. Table 9-8 shows results from multiple regression analyses that follow closely those conducted in Chapter 8 and reported in Table 8-3, in which net fiscal impact at the state and local level is regressed on generation as defined by independent person units.[20] The third-plus generation of independent person units is used as the reference category so that coefficients can be reported on indicators for the first and second generations. We present six models, with each subsequent model adding more control variables to account for cross-generational differences. For brevity, we only report the regression coefficients for immigrant generation, which represent, in dollars, the net fiscal impacts associated with being a first or second generation independent person unit, compared to third-plus generation independent person units.

[20]Some of the methodological differences between Chapter 8 and Chapter 9 in how net fiscal impact estimates at the state and local level are generated are detailed in footnote 16. In addition, the sample for the estimates and regression analyses here in Chapter 9 differs from the sample used in Chapter 8. The Chapter 8 regression analysis uses observations of independent individuals from a pooled CPS 1994-2013 sample that has adjusted population weights to represent the total residential population (including institutionalized residents). Chapter 9 uses observations of independent individuals from a pooled CPS 2011-2013 sample that is representative of the non-institutionalized population.

In almost all cases, the regression coefficients for immigration generation are statistically significant, with first generation independent person units having a net fiscal cost relative to the third-plus generation, while the opposite is true for second generation independent person units. Note that, because time since arrival is not accounted for, the net fiscal burden of a first generation independent person unit is not the same as that for a *new* first-generation immigrant (as just 14 percent of our first generation sample arrived in the U.S. after 2006). On average, recently arrived first generation independent person units (since 2006) have small net fiscal burdens relative to first generation units that have been in the United States longer because the new first generation immigrants heading the unit tend to be younger, have more education, and have fewer dependent children.

Following the same order as in Chapter 8, we add control variables that typically explain (statistically account for) demographic and economic differences; an additional model directly controls for income so that the importance of that factor can be discussed. Note that the order in which the control variables are added matters, so decreases in the difference from the comparison group (third-plus generation independent person units) with each additional variable can be seen as the additional marginal effect of including that variable. For example, the effects we find on age in part are related to the likelihood of having different numbers of dependents at different points in an independent person's life cycle.

Model 1, which does not include any control variables, reports the difference in net fiscal impacts of the first and second generation independent person units relative to the third-plus generation units. Controlling for no other factors, a first generation independent person unit on average costs state and local governments $2,913 more than an additional third-plus generation independent person unit, while an additional second generation independent person unit *contributes* $384 more than an additional third-plus generation unit. If the regression analysis controls for average state spending and taxes by introducing state fixed effects, as is shown in the right-hand column of Table 9-8, first and second generation independent person units are on average about $200 more costly, compared to a third-plus generation independent person unit, than with no state fixed effects (middle column of Table 9-8, labeled "OLS Regression"). Table 9-8 includes regression model runs with and without state fixed effects, but the discussion below will focus on the coefficients for the model runs without the state fixed effects.

Model 2 adds a set of basic controls for age of the independent person, calendar year, and gender. As discussed in Section 9.3, the first generation independent individuals are on average the youngest of the three generations. With more independent persons concentrated in child-raising ages, the first generation units have, on average, more dependent children and consequently have higher state and local expenditures on education. Because we are limiting our estimates to a 3-year period that is at a similar point in the economic cycle, the year controls make little difference and the coefficients on calendar year are not significant in this model (although they do have small but statistically significant effects in later models).[21] Similarly, the gender make-up of each generation does not affect the relative fiscal impact. While male independent person units appear to contribute more than females in this model, the difference in income between the two genders is driving this and there is no significant

[21]The coefficients on calendar years 2012 and 2013 (relative to the comparison group for calendar year 2011) in Model 2 are −34 and −72, respectively, and are not statistically significant.

difference between men and women in our later model that controls for income.[22] Thus, after controlling for age group (as well as year and gender), the fiscal impact of the first generation units (−$2,429) becomes less negative relative to the third-plus generation independent person units by about $500. The second generation units have the highest share of elderly independent persons in them (age 65 and older), relative to the units of the other two generations, leading to additional public costs. When this is controlled for under Model 2, the second generation's fiscal impact (+$762) becomes more positive, relative to the third-plus generation by about $400.

Because the independent persons in the first generation units have less education on average than those in second and third-plus generation units, controlling for education (Model 3) shrinks the negative net fiscal impact for first generation independent person units to −$1,478 (a decrease of about 40 percent from the Model 2 net fiscal impact). Conversely, controlling for education lowers the positive net fiscal impact for second generation units due to the higher educational attainment of second generation independent persons compared to third-plus generation independent persons.

Model 4 incorporates controls for race and ethnicity in addition to the controls already included in Model 3. As noted in the discussion of the Chapter 8 regression analyses, race and ethnicity may proxy for differences in treatment and opportunity, affecting earnings opportunities and possibly labor force participation. Under Model 4, the first-to-third-plus generation gap in net fiscal impact closes further (to just −$1,166) and the independent person units in the second generation show a small increase (going from +$422 to +$565) in their net fiscal impact relative to units in the third-plus generation.

Controlling for the number of dependent children (Model 5) has a dramatic effect on the relative costs of an average unit in the first and second generations, relative to an average third-plus generation unit. Because first generation independent person units have more dependent children on average compared with third-plus generation units (0.52 versus 0.36), they incur higher public education costs when education expenditures are assigned fully to school-aged children rather than a portion being considered a public good. Controlling for the number of dependents decreases the negative net fiscal impact of a unit in the first generation relative to third-plus generation units by close to $500 (going from −$1,166 to −$706). In contrast, due to having fewer dependent children as compared to third-plus generation independent individuals, the fiscal benefit of second generation units relative to third-plus generation independent person units declines by about half (to +$258), compared to the fiscal benefit before controlling for dependents (Model 4). The coefficient on number of dependents indicates that, for each additional dependent child, an independent person unit's net fiscal impact is decreased by almost $9,750.[23]

Finally, Model 6 in Table 9-8 shows how the net impact changes when AGI is controlled for in the regression. With average incomes for first generation independent person units being the lowest of the three generations (see Table 9-16 in the technical annex to this chapter), they contribute less to state and local tax revenues and are more likely to receive government benefits. Adding income to the control variables already included in Model 5 further diminishes the difference in net fiscal impact between independent person units in the

[22]The coefficient on male (relative to the female comparison group) in Model 2 is 1,689 and is statistically significant at the 1 percent level. However, when we introduce a control for income in our final model the coefficient on male is −36 and no longer statistically significant.

[23]The coefficient on the number of dependents in Model 5 is −9,739 and is significant at the 1 percent level.

first and third-plus generations to just −$421, and the difference between independent person units in the second and third-plus generations is not statistically significant. The Model 6 coefficient on AGI indicates that for each additional $100 of income, a unit's net fiscal impact is made more positive by about $11.[24] Thus, after adding controls for age group, year, sex, education, race and ethnicity, number of dependents, and income, the average negative net fiscal impact of the first generation units relative to independent person units in the third-plus generation is significantly diminished. **Demographic and economic characteristics of first generation independent person units account for close to −$2,500 of the original −$2,931 gap relative to third-plus generation units.** These characteristics also account for all of the positive contribution of second generation independent person units relative to the third-plus generation units.

When the regression analysis sample is limited to independent person units living in the 14 states and the District of Columbia in which at least one-quarter of all independent persons belong to the first or second generation, the results for the first generation are similar to those in the sample that includes all states. Demographic and economic characteristics of first generation independent person units in these jurisdictions account for close to $3,100 of their original $3,383 net fiscal cost relative to a unit in the third-plus generation. For second generation units in these jurisdictions, the initial difference in fiscal impact compared with third-plus generation independent person units is statistically insignificant, but after controlling for demographic and economic characteristics, a second generation unit would contribute $150 more than an average third-plus generation unit.

TABLE 9-8 Regression Analysis of Net Fiscal Impact at the State and Local Level per Independent Person Unit, by Immigrant Generation, 2011-2013

Model 1 − Controls: none; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−2,913 ***	−3,183 ***
2nd generation (+ dependents)	384 ***	150 *
3rd+ gen (+ dependents) ref. group	---	---
R^2	0.009	0.012
Model 2 − Controls: **age group, year, sex**; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−2,429 ***	−2,682 ***
2nd generation (+ dependents)	762 ***	547 ***
3rd+ gen (+ dependents) ref. group	---	---
R^2	0.056	0.059
Model 3 − Controls: age group, year, sex, **education**; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−1,478 ***	−1,591 ***
2nd generation (+ dependents)	422 ***	327 ***
3rd+ gen (+ dependents) ref. group	---	---
R^2	0.128	0.132
Model 4 − Controls: age group, year, sex, education, **race/ethnicity**; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−1,166 ***	−1,190 ***
2nd generation (+ dependents)	565 ***	537 ***

[24]The coefficient on AGI in Model 6 is 0.107 and is statistically significant at the 1 percent level.

3rd+ gen (+ dependents) ref. group	---	---
R^2	0.135	0.140
Model 5 − Controls: age group, year, sex, education, race/ethnicity, **number of dependents**; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−706 ***	−660 ***
2nd generation (+ dependents)	258 ***	291 ***
3rd+ gen (+ dependents) ref. group	---	---
R^2	0.407	0.412
Model 6 − Controls: age group, year, sex, education, race/ethnicity, number of dependents, **income**; *n* = 416,284		
	OLS regression	With state fixed effects
1st generation (+ dependents)	−421 ***	−243 ***
2nd generation (+ dependents)	19	177 ***
3rd+ gen (+ dependents) ref. group	---	---
R^2	0.553	0.559

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: Each column presents coefficients and significance levels from a separate ordinary least squares (OLS) regression of net fiscal impact at the state and local level (dependent variable) on indicators for immigrant status (x variables) and indicators for the other characteristics listed. Coefficients are the marginal effects in terms of dollars per independent person unit that are associated with the given immigrant status, relative to third-plus generation independent person units. A positive number is an improvement or savings in net fiscal impact; a negative number is a reduction or deficit. Thus a coefficient on a "1st generation" independent person unit equal to +1,000 implies that, compared to a third-plus generation unit, a first generation unit has a more positive net fiscal impact by $1,000 at the state and local level. Age groups are measured in 5-year intervals. Asterisks denote statistical significance at the 1 percent (***), 5 percent (**), or 10 percent (*) level.

9.7 ALTERNATIVE TREATMENTS OF EDUCATION COSTS

As noted in Section 9.6, much of the differential expenditure burden for first generation independent person units comes from the cost of educating the dependent children in the unit. However, these children will grow up to be higher contributing second generation adults. In our baseline estimates, the panel assigned the cost of education to families that include children attending school. This means K−12 costs are assigned based on the presence of school-age children and public higher education payments are assigned to independent persons who are either attending, or have a dependent attending, an institution of higher education. This allocation ignores the future public benefit of education to those with and without children and the benefit to society of a better educated population. On average, K−12 spending per student is almost $9,000 in the United States as a whole but varies from $5,400 per pupil in Utah and $5,550 in Arizona to $26,950 in the District of Columbia.

To examine the possible public benefit spillovers, the panel re-ran the baseline estimates with various alternative assumptions about who receives the benefit (or would be responsible for the cost) of K−12 and public higher education. We first assigned half of the cost of K−12 education accruing to state and local governments to everyone within the state (including all independent and dependent persons) on a per capita basis. The remaining half was assigned to students as in the baseline scenario. This approach recognizes a level of

public value to others of school spending. Table 9-9 shows how these differences in assigning education expenses affect estimates of the relative costs for the United States as a whole and for specific states. Allocating half of K−12 expenses per capita in this manner, the net fiscal burden of first generation independent units declines by about $250 per independent unit (a change in net fiscal impact from −$1,600 to −$1,350). The costs borne by second generation independent person units increase by about $150 per unit, reflecting the lower number of dependents for second generation independent units overall; costs remain about the same for the third-plus generation units under this alternative scenario.

If we instead allocate half of the K−12 expenditures to just the independent persons, rather than to all persons, and the remaining half to students, the net fiscal impact of first generation units becomes −$1,250 and the second and third-plus generations have small increases in the costs they bear. This reduces the difference in net costs between first and third-plus generation independent person units from $2,900 to $2,500. Row 4 of Table 9-9 shows the results of assigning half of state and local spending on both K−12 and higher education to just the independent persons. Including higher education spending in this assignment approach has little effect on relative revenues and expenditures as reflected in the U.S. averages for independent person units in the first and third-plus generations.

The lower three panels of Table 9-9 illustrate, for specific states, how independent person units in the generations fare when education expenses are allocated differently. Most of the changes are small, but when we allocated half of the K−12 education benefits in California to independent persons, the net cost of first generation units declined by $300, with a similar decline in the net benefit from units in the second and third-plus generations. Interestingly, second generation Californian independent person units have increased fiscal contributions to the state under the scenario in which half of K−12 and higher education costs are attributed to all independent persons. This reflects higher-than-average usage of higher education by second generation Californians. Similarly, how educational expenses are allocated in New Jersey affects the relative costs and benefits between units in the first and second generations, with the relative benefits for third-plus generation units staying fairly constant.

TABLE 9-9 Net Difference between State and Local Revenues and Expenditures per Independent Person Unit with Alternative Assignment of Education Expenditures (rounded to nearest $50), by Immigrant Generation, 2011-2013

	Immigrant Generation		
	First	Second	Third+
All 51 states			
1) Education expenditures to students	−$1,600	$1,700	$1,300
2) Half of K−12 expenditures to students, half to all as public good	−1,350	1,550	1,300
3) Half of K−12 expenditures to students, half to all *independents* as public good	−1,250	1,450	1,250
4) Half of K−12 and higher education expenditures to students, half to all *independents* as public good	−1,250	1,650	1,250
Top 15 states by % in first generation			
1) Education expenditures to students	−$1,700	$1,650	$1,650
2) Half of K−12 expenditures to students, half to all as public good	−1,500	1,450	1,600

3) Half of K−12 expenditures to students, half to all *independents* as public good	−1,400	1,400	1,550
4) Half of K−12 and higher education expenditures to students, half to all *independents* as public good	−1,400	1,600	1,550
California			
1) Education expenditures to students	−$2,050	$1,550	$3,100
2) Half of K−12 expenditures to students, half to all as public good	−1,850	1,450	2,950
3) Half of K−12 expenditures to students, half to all *independents* as public good	1,750	1,400	2,900
4) Half of K−12 and higher education expenditures to students, half to all *independents* as public good	1,850	1,700	2,900
Florida			
1) Education expenditures to students	−$350	$1,200	$1,350
2) Half of K−12 expenditures to students, half to all as public good	−300	1,150	1,300
3) Half of K−12 expenditures to students, half to all *independents* as public good	−250	1,100	1,300
4) Half of K−12 and higher education expenditures to students, half to all *independents* as public good	−200	1,250	1,250
New Jersey			
1) Education expenditures to students	−$1,850	$2,300	$700
2) Half of K−12 expenditures to students, half to all as public good	−1,550	1,800	700
3) Half of K−12 expenditures to students, half to all *independents* as public good	−1,450	1,600	700
4) Half of K−12 and higher education expenditures to students, half to all *independents* as public good	−1,550	1,750	700

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of revenues and expenditures by state and generation.

9.8 MARGINAL VERSUS AVERAGE FIXED COSTS

The New Americans included a theoretical discussion of the relative cost of a new immigrant family in terms of its marginal cost to governments. However, most of that report's estimates of household level state and local finances were based on allocating revenues and expenditures across existing immigrant and nonimmigrant households on an average cost basis; the same was true for that report's treatment of federal spending (with the exception of national defense). The evidence on the public versus private nature of government-provided services is mixed. Whereas total public spending no doubt increases with the size of the population, some categories of spending are likely to be unaffected, at least for a small increase in immigrant population and in the short run.

For the analyses in this chapter, about half of all spending (and revenues) is allocated based on personal or family attributes. But for many spending categories such as public safety, hospitals, and libraries, the costs have been allocated across all persons (both independent and dependent). Similarly, some revenue sources—such as transfers from the federal government for roads and those from natural resource extraction, which would be the

same even if there were more new immigrants—are allocated on a per capita basis. While the panel did not specify which particular expenditures are public goods, it is important to highlight that some of these fixed costs are not higher due to the presence of immigrants.[25] The amounts of these fixed costs assigned to second and third-plus generation persons are lower than they otherwise would be due to the presence of more first generation arrivals as these costs become spread across a larger population. Not surprisingly, the implicit savings to nonimmigrants created by spreading fixed costs across a larger population varies with the population share in the first generation. For some communities, especially those facing declining populations, the influx of new immigrants can help lower their fixed costs. Indeed, for some costs, notably capital expenditures, bond repayments, and public pension obligations, the benefits of the government spending may have been received by earlier generations so having a larger population to pay off these debts benefits the existing population.

While not definitive, Table 9-10 highlights the difference in fiscal gaps that results from changing from an approach in which the fixed revenues and fixed costs for public goods are allocated to all individuals to a marginal allocation in which they are allocated only to second and third-plus generation independent persons and their dependents. When these fixed revenues and expenditures are assigned only to second and third-plus generation independents and their dependents on a per-person basis, instead of being assigned evenly to persons from all generations—thus assuming a marginal amount of zero to first generation independents and their dependents—the negative gap in net fiscal impact between first and third-plus generation independent person units decreases (in absolute terms) from −$2,900 to −$450 (Table 9-10). Thus, part of the higher fiscal costs for first generation independent units found in most of the analyses in this chapter are from these fixed costs. Under the assumption that first generation independent person units do not bear these costs, net positive fiscal impacts decrease or turn negative for second and third-plus generation independent person units—and these cost increases are highest in the states with more immigrants. For the 15 jurisdictions with the largest percentage of their populations in the first generation, the fiscal cost gap between first and third-plus generation independent person units closes from −$3,400 to −$150. In terms of overall fiscal impact, in California, for example, if these fixed costs (and revenues) were only allocated to second and third-plus generation independent persons and their dependents, the state's first generation independent person units change from generating a large net negative burden for the state to making a net positive contribution (going from generating a net cost of $2,050 to a net fiscal benefit of $1,050—about $400 less than that of third-plus generation independent units under a marginal allocation). As the share of the population that is composed of first generation independent person units declines, the impact of shifting from an average to a marginal allocation of these fixed revenues and expenditures diminishes.

Note that, if one were to only shift the fixed costs (and revenues) currently being borne by *new* immigrants who have arrived since 2006 (rather than all first generation individuals) to the remaining population (including other first generation individuals previously resident), the fixed costs for the rest of the population (both independent and dependent) would increase by about $50 per independent person unit; and, in most states, recent immigrants would provide a net fiscal benefit. Again, the size of the shift in costs depends on the number and make-up of recent immigrant families. For example, the increase

[25] Fixed costs are the part of expenses that do not change with the addition of another individual.

in net fiscal costs for non-recent first generation independent person units in California would be about $100. This alternative approach recognizes that, in many states, first generation independent persons are long-term residents of this country.

TABLE 9-10 Net Difference between State and Local Revenues and Expenditures per Independent Person Unit with a Marginal Allocation of Fixed Revenues and Expenditures[a] (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

State	Immigrant Generation				Difference: First less Third+
	First	Second	Third+	All	
California	$1,050	−$150	$1,450	$1,050	−$350
New Jersey	750	1,350	−300	200	1,000
New York	1,750	3,250	1,350	1,700	400
Nevada	1,100	200	1,200	1,050	−100
Florida	850	850	950	950	−100
Texas	−1,150	−650	1,150	450	−2,250
Hawaii	2,150	550	950	1,150	1,200
Maryland	2,100	1,550	50	550	2,050
Arizona	−450	0	1,550	1,000	−1,950
District of Columbia	2,200	6,150	−2,350	−850	4,550
Massachusetts	−100	1,850	50	250	−150
Illinois	300	−50	350	350	−50
Washington	−250	100	200	100	−450
Connecticut	2,800	2,950	600	1,250	2,200
Rhode Island	−950	2,000	1,500	1,150	−2,450
Virginia	1,200	1,000	500	650	700
Delaware	600	1,900	600	650	0
Georgia	−100	500	650	550	−750
New Mexico	−3,600	400	1,150	550	−4,700
Oregon	−1,200	2,150	1,600	1,300	−2,800
Colorado	−550	800	600	500	−1,200
Alaska	−5,500	7,000	7,950	6,450	−13,450
Nebraska	−950	1,350	1,750	1,450	−2,700
Idaho	−800	600	1,500	1,200	−2,300
North Carolina	50	1,650	1,450	1,300	−1,350
Utah	−700	−600	400	250	−1,100
Michigan	200	2,500	750	800	−550
Minnesota	−3,500	3,150	2,050	1,600	−5,550
Kansas	−900	1,050	1,050	850	−1,900
Pennsylvania	250	1,650	150	250	150
Iowa	−300	2,500	1,500	1,450	−1,850
New Hampshire	850	1,650	450	600	400
Wisconsin	−2,000	1,450	1,450	1,250	−3,450
Tennessee	−550	1,250	750	700	−1,300
Arkansas	−1,200	1,650	1,450	1,300	−2,650

Kentucky	−250	2,400	50	100	−300
South Carolina	450	2,400	550	600	−100
Oklahoma	−300	2,000	1,500	1,450	−1,800
Vermont	800	3,350	1,000	1,150	−150
Indiana	1,150	1,700	1,000	1,050	150
Ohio	1,400	3,600	1,450	1,550	−50
Louisiana	850	−1,150	−300	−250	1,150
Missouri	600	2,200	1,200	1,200	−550
South Dakota	850	1,450	1,800	1,750	−950
Alabama	−850	2,500	550	550	−1,400
Maine	700	2,400	700	850	0
North Dakota	850	5,600	5,500	5,350	−4,650
Wyoming	−800	3,650	3,500	3,400	−4,300
Montana	2,400	1,200	900	950	1,500
Mississippi	750	2,650	1,400	1,400	−650
West Virginia	−500	3,850	1,500	1,550	−2,000
Top 15 states by % in first generation	700	700	900	800	−150
United States	500	1,000	950	900	−450

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: Fixed revenue flows include other revenues and intergovernmental revenues (see Table 9-11 in the technical annex to this chapter for more information). Fixed expenditure flows include expenditures on other education and libraries, public welfare vendor payments to private vendors and administration expenditures, and other expenditures and capital outlays (see Table 9-12 in the technical annex to this chapter for more information). See text for more detail on the construction of revenues and expenditures by state and generation. Because the difference between first and third-plus generation net difference (revenue less expenditure) amounts is taken from the unrounded estimates and then rounded to the nearest $50, the value may differ from the first generation column less the third-plus due to rounding in some cases. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). Caution should be taken when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

[a]The marginal cost allocation of fixed expenditures in these estimates reassigns fixed revenues and expenditures to second and third-plus generation independents and their dependent children, rather than assigning them to all individuals (both independent and dependent) in all generations as in the average cost allocation in the baseline estimates (see Table 9-6).

9.9 CONCLUSIONS

While previous chapters have highlighted the role immigrants play in affecting federal budgets and in their impact across state and local governments combined, it is important to recognize that **the burdens and contributions to fiscal balance sheets vary tremendously across states.**[26] Under the strictest set of assumptions, in which all costs of public education fall on the parents of those being educated and in which the cost of public goods are shared across the population equally, first generation independent person units are estimated to be the most costly relative to second and third-plus generation units. **For the 2011-2013 period, first generation independent person units incurred a net cost on average of $1,600 per unit per year, compared to a net benefit of $1,700 for second generation independent person units and $1,300 for third-plus generation units.**

Most states follow the national pattern in which units in the second generation contribute the most per unit due to slightly higher incomes and fewer average dependents, but this is not the case in California. Additionally, among the 15 states with the most first and second generation independent individuals, California has the largest difference, $5,150, between the fiscal shortfall of independent person units in the first generation (−$2,050) and the fiscal benefit of units in the third-plus generation ($3,100), while Maryland has the smallest difference at $650. In Maryland, independent person units in the second generation generate an even higher level of per-unit fiscal benefit ($2,050) than do units in the third-plus generation ($550), while in California, the positive fiscal impact of units in the second generation, at $1,550, falls short of that for units in the third-plus generation. Both states have progressive income taxes, and some of these differences appear to be related to Maryland having a larger percentage of first and second generation independent persons with more than a bachelor's degree. In many of the states with the fewest first generation independent person units, the difference in relative contribution between units in the first and third-plus generations is negligible, while units in the second generation contribute more to a state's bottom line.

The relative contribution or burden of any independent person unit is driven largely by that unit's demographic and economic characteristics—most notably the number of dependents in the unit and the unit's income levels. Because first generation units tend to have less income and more dependents than units in the second or third-plus generation, they are more costly to state and local governments. However, the children of immigrants who are being educated grow up to become second generation adults, the group that, in general (but not always), contributes the most, when assessed in terms of independent person units, to a given state's fiscal health. In addition, the age distribution of independent persons also affects the relative contribution they make as a unit (with their dependents) to a state's budget. The share of the population that is elderly increases costs and decreases tax revenues to states. While not as costly as dependent children, the smaller share of first generation independent persons who are age 65 and over offsets some of the costs for states, most notably in the form of Medicaid payments.

[26]Fiscal impacts also vary widely at sub-state levels. Ideally, our analysis would estimate impacts at city and county levels, as insights about local jurisdictional responsibilities and benefits are of great interest to those governments. However, for the kinds of analyses done here, it is not possible to analyze at the local level with the available data, due to sample size limitations.

While the characteristics of individuals within an independent person unit affect the relative contribution or burden made by that unit, decisions made by the state and local governments about the level and structure of taxes and services provided also affect the relative burden or contribution of the unit. In places with higher spending on K−12 schools, for example, the relative cost of units in the first generation is higher than for units in the second or third-plus generation because the first generation units include more dependents.

The differences in contributions or burdens across generations and states also depend on whether fixed costs are allocated to all persons equally. The cost of an additional independent person unit in the first generation (or for that matter, an additional unit in any generation) is dampened to the extent that many of the costs that accrue to state and local governments are not sensitive to a small increase in the population. **Using a marginal cost allocation, under which an additional immigrant is presumed not to add to the costs of administering the subset of state and local government services categorized as public goods, leads to more similar estimates of per-unit fiscal impacts across the three generations.** The reason is that expenditures for the second and third-plus generation units increase, while those for first generation units decrease. In this respect, the cross-generation fiscal patterns are quite similar to those presented in Chapter 8 for the national level.

9.10 TECHNICAL ANNEX: SUPPLEMENTAL TABLES

This annex includes tables referenced in the text of this chapter but that are not included at the point of reference.

TABLE 9-11 Census of Governments (COG) State and Local Revenue Flow Types and Allocation Methods

Revenue Flow Type (% of 2011-13 COG Revenue)	**Allocation to Independent Person Units** (name of CPS ASEC variable[a] in italics)
Property taxes (14%)	CPS ASEC *proptax* if owner household, divided across all independents in the household. Property tax assigned to renters (CPS *ownershp* indicator for paying with cash rent) using the state average of property tax as a percent of household income for owners from the CPS; property tax set to zero for renters if household income is less than or equal to zero. Difference between the sum of CPS property tax for owners plus property tax assigned to renters and the COG total amount assigned to all independent adults.
General sales taxes (10%)	State sales tax amounts from IRS tables assigned based on CPS *adjginc* (split between spouses for married filing jointly and less remittances of 5% for first generation) and scaled up to match COG total.[b]
Selective sales taxes and public utilities (5%)	Assigned to all age 18 and up: ▪ Motor fuels sales taxes ▪ Tobacco product sales taxes Assigned to all age 21 and up: ▪ Alcoholic beverage sales taxes Assigned to all: ▪ Public utilities and other selective sales taxes
Individual income taxes (9%)	CPS *stataxac* scaled to match COG amount (split between spouses for married filing jointly).
Business taxes (3%)	Assigned within states based on AGI distribution: ▪ Corporate income tax (split between spouses for married filing jointly); Documentary and stock transfer taxes; Corporations in general license; Alcoholic beverages license; Amusements license; Occupation and business license, NEC
Higher education charges (3%)	Assigned to all in college (weighted for full-time versus half-time).
School lunch sales (<1%)	Taken out of K−12 expenditures (see Table 9-12).
Other education charges (<1%)	Remaining revenue from education charges assigned to all.
Insurance trust revenues (15%)	Assigned to all people with wage income: ▪ Unemployment compensation contributions ▪ Workers' compensation contributions and other insurance trust revenue Assigned to all state and local government employees: ▪ State and local employee retirement contributions

Other revenues (22%)	Assigned to all: ▪ Taxes: Death and gift taxes; Severance taxes; Taxes NEC ▪ License taxes: Hunting and Fishing license; Public utilities license; Other license taxes ▪ Current charges (excluding education): Hospital; Highways; Air transportation; Parking facilities; Sea and inland port facilities; Natural resources; Parks and recreation; Housing and community development; Sewerage; Solid waste management; Other charges ▪ Miscellaneous general revenue ▪ Utility revenue Assigned to all age 18 and up: ▪ Motor vehicle license and motor vehicle operator's license Assigned to all age 21 and up: ▪ Liquor store revenues
Intergovernmental revenues (18%)	COG intergovernmental revenues (from federal government) less COG intergovernmental expenditures (to federal government) assigned to all.

[a]Variable names reflect CPS data variable names used in the Integrated Public Use Microdata Series.
[b]State sales tax amounts (prior to scaling to COG totals) come from the IRS Optional State and Certain Local Sales Tax Tables. We do explicitly account for additional local sales taxes but expect them to be captured in scaling to COG totals. The one exception to this is Alaska, which has a statewide local sales tax but no state sales tax; in this case we use the IRS Optional Local Sales Tax Tables for Certain Local Jurisdictions.

TABLE 9-12 Census of Governments (COG) State and Local Expenditure Flow Types and Allocation Methods

Expenditure Flow Type (% of 2011−13 COG Expenditures)	**Allocation to Independent Person Units** (name of CPS ASEC variable[a] in italics)
Higher education expenditures (7%)	Amount (less capital outlays) assigned to all in college (weighted for full-time versus half-time). *Alternative – examine if half of the COG expenditure amount assigned to college students as above and the remaining half assigned evenly to all independent individuals in states.*
Elementary and secondary education expenditures (16%)	Amount (less capital outlays and school lunch sales) assigned to all in K−12 (weighted for full-time versus half-time for high-schoolers). *Alternative – examine if half of the COG expenditure amount assigned to K−12 students as above and the remaining half assigned evenly to all persons or all independent individuals in states.*
Other education expenditures and libraries (4%)	Amount (plus capital outlays from higher education and elementary and secondary education) assigned to all.
Medicaid/Public welfare (16%)	Medicaid: CPS *pmvcaid* (for CPS recipients) scaled to match COG vendor payments amount (less the remainder of total Medicaid institutional spending[b] after subtracting out COG spending on institutions for public welfare). Other public welfare: CPS *incwelfr* (for CPS recipients) scaled to match COG public welfare spending on SSI, TANF, and other cash assistance. Assigned to all: ▪ Vendor payments to private vendors for services other than medical ▪ Public welfare administration expenditures
Insurance trust expenditure (11%)	Assigned to all people with wage income: ▪ Unemployment compensation ▪ Workers' compensation and other insurance trust Assigned to all state and local government employees: ▪ State and local employee retirement
Other expenditures and capital outlays (45%)	Assigned to all: ▪ Hospitals; Health; Social insurance administration; Veterans' services; Highways; Air transportation; Parking facilities; Sea and inland; Police protection; Fire protection; Correction; Protective inspection and regulation; Natural resources; Parks and recreation; Housing and community development; Sewerage; Solid waste management; Financial administration; Judicial and legal; General public buildings; Other governmental administration; Interest on general debt; Miscellaneous

	commercial activities; Other and unallocable ▪ Utility expenditure Assigned to all age 21 and up: ▪ Liquor store expenditure
Intergovernmental expenditure (<1%)	COG intergovernmental expenditure amount (to federal government) taken out of COG intergovernmental revenue amount (from federal government).

[a]Variable names reflect CPS data variable names used in the Integrated Public Use Microdata Series.
[b]Total Medicaid institutional spending (2% of total 2011−13 COG expenditures) is taken from the Centers for Medicare & Medicaid Services (CMS) 2015 report "Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013," appendix Table D. http://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/downloads/ltss-expenditures-fy2013.pdf.

TABLE 9-13 Annualized Weighted Sample Cases of Independent Persons by Immigrant Generation by State, CPS ASEC, 2011-2013

State	Immigrant Generation			
	First	Second	Third+	Total
California	9,250,306	4,136,035	13,307,832	26,694,173
New Jersey	1,751,320	772,147	3,771,057	6,294,524
New York	3,861,185	1,723,287	8,503,595	14,088,067
Nevada	477,237	218,729	1,247,935	1,943,901
Florida	3,258,513	1,312,743	9,763,553	14,334,809
Texas	3,818,671	1,756,376	12,193,672	17,768,719
Hawaii	205,752	150,674	621,632	978,057
Maryland	814,468	307,380	3,159,673	4,281,520
Arizona	865,223	531,020	3,285,407	4,681,650
District of Columbia	85,316	40,448	362,412	488,176
Massachusetts	828,697	577,464	3,447,603	4,853,764
Illinois	1,540,692	718,036	6,908,763	9,167,490
Washington	822,229	482,882	3,655,282	4,960,393
Connecticut	415,692	293,845	1,861,099	2,570,636
Rhode Island	126,085	108,649	545,477	780,212
Virginia	782,112	275,958	4,710,072	5,768,143
Delaware	80,814	29,431	544,748	654,993
Georgia	815,187	235,106	5,750,442	6,800,735
New Mexico	168,429	107,035	1,184,370	1,459,834
Oregon	315,531	231,330	2,288,182	2,835,044
Colorado	398,306	264,829	2,975,143	3,638,278
Alaska	52,703	35,281	405,367	493,351
Nebraska	139,263	51,548	1,124,233	1,315,044
Idaho	107,882	57,765	928,129	1,093,776
North Carolina	652,743	260,141	5,944,608	6,857,492
Utah	173,479	109,824	1,552,991	1,836,295
Michigan	628,807	438,991	6,003,030	7,070,828
Minnesota	328,484	210,376	3,320,867	3,859,727
Kansas	160,448	83,215	1,769,231	2,012,894
Pennsylvania	654,971	542,680	8,283,510	9,481,161
Iowa	141,651	74,120	1,979,890	2,195,661
New Hampshire	62,234	77,990	842,922	983,146
Wisconsin	231,605	196,104	3,723,672	4,151,382
Tennessee	254,822	113,462	4,316,184	4,684,468
Arkansas	111,359	45,188	1,965,865	2,122,411
Kentucky	162,813	63,359	2,932,800	3,158,972
South	170,719	73,929	3,112,174	3,356,822

Carolina				
Oklahoma	134,805	85,287	2,466,798	2,686,889
Vermont	22,308	38,284	418,140	478,731
Indiana	207,956	166,713	4,143,988	4,518,657
Ohio	376,581	355,286	7,577,243	8,309,110
Louisiana	136,282	68,343	2,955,957	3,160,582
Missouri	173,581	121,130	4,056,352	4,351,063
South Dakota	22,998	25,087	540,674	588,759
Alabama	133,617	71,586	3,249,440	3,454,644
Maine	34,121	75,909	907,094	1,017,124
North Dakota	16,025	25,584	460,026	501,636
Wyoming	13,059	15,212	385,954	414,226
Montana	19,432	41,598	678,111	739,141
Mississippi	52,251	28,357	1,956,632	2,037,241
West Virginia	19,248	30,344	1,327,807	1,377,398
Top 15 states by % in first generation	28,121,384	13,129,714	72,634,993	113,886,092
United States	36,078,012	17,856,095	169,417,639	223,351,747

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of independent person and immigrant generation. These sample counts are the average number of weighted cases classified as independent persons per year in the CPS ASEC files for 2011-2013. Note that these counts are not representative of the annualized total U.S. population in these years because they do not include dependent children. The ASEC includes cases in February, March, and April of each year. Because of the rotation group design, by which addresses are in the sample for 4 months, out for 8 months, and in again for 4 months, the total 3-year sample double-counts individuals who are in the sample in pairs of years (2011-2012 or 2012-2013). States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

TABLE 9-14 Sum of Unweighted Sample Cases of Independent Persons by Immigrant Generation by State, CPS ASEC, 2011-2013 Total

	Immigrant Generation			
State	First	Second	Third+	Total
California	15,823	6,653	18,173	40,649
New Jersey	2,706	983	4,899	8,588
New York	5,526	2,132	10,459	18,117
Nevada	1,901	739	3,914	6,554
Florida	4,889	1,580	10,966	17,435
Texas	6,087	2,731	15,425	24,243
Hawaii	1,725	1,216	4,838	7,779
Maryland	2,190	719	7,415	10,324
Arizona	1,232	663	3,485	5,380
District of Columbia	1,209	509	4,656	6,374
Massachusetts	1,185	697	4,338	6,220
Illinois	2,561	1,048	9,102	12,711
Washington	1,366	696	5,054	7,116
Connecticut	1,641	983	6,540	9,164
Rhode Island	1,222	894	4,589	6,705
Virginia	1,411	460	7,100	8,971
Delaware	905	277	5,311	6,493
Georgia	1,267	325	7,294	8,886
New Mexico	518	304	3,218	4,040
Oregon	766	474	4,460	5,700
Colorado	1,209	706	7,257	9,172
Alaska	587	355	3,964	4,906
Nebraska	828	251	5,125	6,204
Idaho	560	261	3,537	4,358
North Carolina	928	311	6,909	8,148
Utah	595	294	4,062	4,951
Michigan	900	550	7,827	9,277
Minnesota	1,019	498	7,927	9,444
Kansas	581	256	4,935	5,772
Pennsylvania	960	657	10,543	12,160
Iowa	618	256	6,535	7,409
New Hampshire	560	616	6,799	7,975
Wisconsin	533	355	6,759	7,647
Tennessee	330	138	4,982	5,450
Arkansas	304	96	3,876	4,276
Kentucky	328	115	5,280	5,723
South Carolina	311	120	4,929	5,360
Oklahoma	302	162	4,603	5,067
Vermont	289	436	4,816	5,541
Indiana	341	226	5,391	5,958

Ohio	530	434	9,492	10,456
Louisiana	192	87	3,737	4,016
Missouri	284	187	5,852	6,323
South Dakota	263	232	5,511	6,006
Alabama	209	91	4,274	4,574
Maine	243	472	6,042	6,757
North Dakota	185	227	4,480	4,892
Wyoming	210	193	4,879	5,282
Montana	103	200	3,399	3,702
Mississippi	112	51	3,734	3,897
West Virginia	70	85	3,977	4,132
Top 15 states by % in first generation	51,263	22,243	113,853	187,359
United States	70,614	33,001	312,669	416,284

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of independent person and immigrant generation. These sample counts are the total number of cases classified as independent persons in each CPS ASEC file for 2011-2013. The annual observations for each state and immigrant generation are approximately one-third of the counts listed above. The ASEC includes cases in February, March, and April of each year. Because of the rotation group design, by which addresses are in the sample for 4 months, out for 8 months, and in again for 4 months, the three-year sample counts shown above double count individuals who are in the sample in pairs of years (2011-2012 or 2012-2013). States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

TABLE 9-15 Average Number of Children (Dependents) per Independent Person Unit, by Immigrant Generation by State, 2011-2013

	Immigrant Generation (Avg. No. Children per Independent Person Unit)			
State	First	Second	Third+	All
California	0.52	0.39	0.34	0.41
New Jersey	0.48	0.24	0.37	0.38
New York	0.44	0.26	0.36	0.37
Nevada	0.56	0.34	0.34	0.39
Florida	0.39	0.28	0.31	0.32
Texas	0.64	0.47	0.38	0.44
Hawaii	0.44	0.28	0.36	0.37
Maryland	0.47	0.23	0.35	0.36
Arizona	0.59	0.46	0.34	0.40
District of Columbia	0.28	0.14	0.28	0.27
Massachusetts	0.44	0.22	0.35	0.35
Illinois	0.54	0.35	0.36	0.39
Washington	0.56	0.29	0.34	0.37
Connecticut	0.46	0.24	0.37	0.37
Rhode Island	0.47	0.22	0.32	0.33
Virginia	0.51	0.40	0.35	0.38
Delaware	0.49	0.28	0.36	0.37
Georgia	0.57	0.45	0.40	0.42
New Mexico	0.72	0.44	0.35	0.40
Oregon	0.64	0.29	0.32	0.35
Colorado	0.63	0.34	0.36	0.39
Alaska	0.56	0.53	0.40	0.43
Nebraska	0.64	0.33	0.36	0.39
Idaho	0.64	0.41	0.41	0.44
North Carolina	0.61	0.39	0.36	0.39
Utah	0.77	0.44	0.51	0.53
Michigan	0.49	0.22	0.38	0.38
Minnesota	0.64	0.25	0.35	0.37
Kansas	0.65	0.35	0.37	0.39
Pennsylvania	0.50	0.19	0.33	0.33
Iowa	0.56	0.27	0.36	0.37
New Hampshire	0.40	0.23	0.33	0.33
Wisconsin	0.70	0.27	0.35	0.36
Tennessee	0.57	0.29	0.35	0.36

	Immigrant Generation (Avg. No. Children per Independent Person Unit)			
State	First	Second	Third+	All
Arkansas	0.64	0.4	0.35	0.37
Kentucky	0.47	0.29	0.36	0.37
South Carolina	0.55	0.37	0.37	0.38
Oklahoma	0.60	0.46	0.37	0.39
Vermont	0.36	0.19	0.30	0.29
Indiana	0.56	0.43	0.40	0.41
Ohio	0.43	0.27	0.37	0.37
Louisiana	0.40	0.32	0.42	0.41
Missouri	0.46	0.34	0.36	0.36
South Dakota	0.53	0.25	0.38	0.38
Alabama	0.74	0.23	0.37	0.38
Maine	0.40	0.18	0.30	0.30
North Dakota	0.44	0.16	0.35	0.34
Wyoming	0.46	0.23	0.36	0.36
Montana	0.29	0.18	0.35	0.34
Mississippi	0.52	0.28	0.43	0.43
West Virginia	0.56	0.24	0.32	0.32
Top 15 states by % in first generation	0.51	0.34	0.35	0.39
United States	0.52	0.33	0.36	0.38

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTES: See text for definitions of independent person unit, dependent person or child, and immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

TABLE 9-16 Average Adjusted Gross Income (AGI) per Independent Person Unit (rounded to nearest $50), by Immigrant Generation by State, 2011-2013

	Immigrant Generation ($ AGI per Independent Person Unit)			
State	First	Second	Third+	All
California	$28,800	$35,950	$42,450	$36,700
New Jersey	35,700	37,900	47,250	42,900
New York	28,650	37,550	39,200	36,100
Nevada	26,650	28,250	34,700	32,000
Florida	26,350	32,050	33,800	31,950
Texas	26,100	29,850	37,550	34,300
Hawaii	28,750	29,000	36,400	33,650
Maryland	38,700	45,450	44,700	43,600
Arizona	25,100	28,500	36,100	33,200
District of Columbia	41,950	74,150	55,750	54,850
Massachusetts	35,850	41,200	43,500	41,950
Illinois	27,650	35,200	39,850	37,450
Washington	33,300	34,800	40,900	39,050
Connecticut	40,350	43,050	47,600	45,900
Rhode Island	29,500	29,100	39,650	36,550
Virginia	42,200	52,750	42,200	42,700
Delaware	33,200	32,800	33,250	33,200
Georgia	28,200	37,450	34,000	33,450
New Mexico	31,300	33,050	34,750	34,200
Oregon	28,650	32,850	32,800	32,350
Colorado	29,550	39,150	41,800	40,250
Alaska	33,800	43,050	39,450	39,100
Nebraska	24,800	31,100	37,250	35,700
Idaho	23,100	28,700	31,350	30,400
North Carolina	29,850	35,800	30,900	31,000
Utah	27,100	31,450	34,900	33,950
Michigan	30,700	31,900	32,650	32,400
Minnesota	28,200	34,050	39,650	38,400
Kansas	24,750	27,550	34,850	33,750
Pennsylvania	33,650	29,200	33,950	33,700
Iowa	26,400	25,050	33,850	33,050
New Hampshire	41,850	35,100	41,100	40,650
Wisconsin	24,200	29,900	34,900	34,100
Tennessee	28,650	27,500	28,500	28,500
Arkansas	23,500	31,550	25,950	25,950

	Immigrant Generation ($ AGI per Independent Person Unit)			
State	First	Second	Third+	All
Kentucky	22,550	35,650	27,500	27,450
South Carolina	30,350	37,500	27,550	27,900
Oklahoma	32,300	37,000	32,300	32,450
Vermont	31,550	34,000	34,750	34,500
Indiana	35,400	32,300	30,900	31,150
Ohio	28,150	38,450	30,850	31,050
Louisiana	20,850	25,950	29,200	28,800
Missouri	29,550	33,750	34,000	33,800
South Dakota	24,150	23,150	32,800	32,050
Alabama	28,250	39,650	30,050	30,150
Maine	32,750	28,400	32,050	31,800
North Dakota	37,000	22,650	39,800	38,850
Wyoming	27,100	30,300	35,800	35,300
Montana	23,450	21,650	28,900	28,350
Mississippi	30,000	30,550	26,850	27,000
West Virginia	36,150	39,450	28,200	28,600
Top 15 states by % in first generation	29,150	35,150	39,850	36,700
United States	29,450	34,900	35,900	34,800

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTES: See text for definitions of independent person unit and immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

TABLE 9-17 Percentage with Less Than a High School Degree (<HS) and More Than a Bachelor's Degree (>BA), Independent Persons by Immigrant Generation by State, 2011-2013

State	Immigrant Generation (Independent Persons)							
	First		Second		Third+		All	
	<HS	>BA	<HS	>BA	<HS	>BA	<HS	>BA
California	34%	8%	10%	10%	7%	12%	17%	11%
New Jersey	18	13	9	15	7	12	10	13
New York	22	11	9	16	9	14	13	13
Nevada	26	6	13	6	7	8	12	8
Florida	19	8	6	13	8	10	10	10
Texas	43	7	18	8	10	9	18	8
Hawaii	17	8	8	9	4	10	8	10
Maryland	19	21	4	23	8	15	10	16
Arizona	36	9	12	9	8	11	14	11
District of Columbia	23	27	3	45	8	28	10	29
Massachusetts	19	17	6	22	7	17	9	17
Illinois	26	12	8	13	7	11	10	11
Washington	25	12	7	12	5	11	9	11
Connecticut	17	19	9	16	7	16	9	17
Rhode Island	33	9	13	11	9	13	14	12
Virginia	16	17	4	19	9	13	10	14
Delaware	27	14	5	11	8	9	10	10
Georgia	23	12	6	14	10	9	12	10
New Mexico	40	12	14	17	11	14	15	14
Oregon	25	12	4	16	7	10	9	11
Colorado	37	10	9	14	5	14	9	13
Alaska	18	8	11	7	7	9	8	8
Nebraska	45	9	10	6	5	9	9	9
Idaho	45	6	12	9	6	8	10	8
North Carolina	32	12	13	16	11	9	13	9
Utah	30	9	8	10	6	9	8	9
Michigan	19	19	7	16	8	9	9	10
Minnesota	26	13	8	10	5	9	7	10
Kansas	31	15	14	17	6	11	9	11
Pennsylvania	14	17	10	12	10	9	10	9
Iowa	37	13	13	12	8	7	10	7
New Hampshire	10	19	8	14	6	12	7	12
Wisconsin	31	12	13	12	6	9	8	9
Tennessee	31	8	7	6	12	8	13	8

State	Immigrant Generation (Independent Persons)							
	First		Second		Third+		All	
	<HS	>BA	<HS	>BA	<HS	>BA	<HS	>BA
Arkansas	37	10	9	5	13	6	14	6
Kentucky	24	17	4	13	13	7	13	8
South Carolina	24	16	8	17	13	9	13	9
Oklahoma	31	14	17	13	9	8	10	9
Vermont	12	15	8	16	8	13	8	13
Indiana	32	14	10	6	9	8	10	8
Ohio	22	15	8	12	10	7	11	8
Louisiana	26	7	6	10	14	7	14	7
Missouri	18	21	14	19	11	9	11	10
South Dakota	33	10	17	4	7	7	9	7
Alabama	42	14	9	14	13	9	14	9
Maine	14	19	14	10	8	9	8	10
North Dakota	16	18	19	5	6	7	7	7
Wyoming	26	12	14	5	7	7	8	7
Montana	11	14	8	10	6	9	6	9
Mississippi	21	9	NA	8	16	7	16	7
West Virginia	8	39	3	12	13	7	13	8
Top 15 states by % in first generation	29	10	10	12	8	12	13	11
United States	28	11	10	12	9	10	12	10

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of independent person and immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). NA: Not available (Mississippi has no sample persons in this category).

TABLE 9-18 Net Difference between State and Local Revenues and Expenditures per Independent Person Unit (rounded to nearest $50), Including Coefficient of Variation Below, by Immigrant Generation by State, 2011-2013

State	Immigrant Generation			
	First	Second	Third+	All
California	−$2,050	$1,550	$3,100	$1,050
	(9%)	(15%)	(6%)	(13%)
New Jersey	−1,850	2,300	700	200
	(23%)	(15%)	(45%)	(130%)
New York	−1,500	4,400	2,600	1,700
	(24%)	(12%)	(12%)	(15%)
Nevada	−1,300	1,000	1,950	1,050
	(24%)	(38%)	(9%)	(16%)
Florida	−350	1,200	1,350	950
	(46%)	(20%)	(9%)	(10%)
Texas	−2,050	−400	1,400	450
	(9%)	(68%)	(9%)	(23%)
Hawaii	−700	1,250	1,700	1,150
	(77%)	(26%)	(13%)	(19%)
Maryland	−100	2,050	550	550
	(407%)	(24%)	(37%)	(33%)
Arizona	−1,350	250	1,750	1,000
	(32%)	(172%)	(15%)	(20%)
District of Columbia	−2,800	7,100	−1,300	−850
	(35%)	(14%)	(48%)	(60%)
Massachusetts	−2,250	2,300	500	250
	(23%)	(24%)	(61%)	(116%)
Illinois	−2,700	550	1,000	350
	(13%)	(72%)	(17%)	(50%)
Washington	−3,050	600	750	100
	(22%)	(76%)	(35%)	(196%)
Connecticut	−600	3,550	1,300	1,250
	(66%)	(10%)	(20%)	(16%)
Rhode Island	−1,500	2,100	1,600	1,150
	(33%)	(18%)	(16%)	(20%)
Virginia	−600	1,300	800	650
	(73%)	(48%)	(23%)	(25%)
Delaware	−500	2,050	750	650
	(130%)	(33%)	(36%)	(39%)
Georgia	−1,250	650	800	550
	(29%)	(103%)	(18%)	(24%)
New Mexico	−2,550	250	1,000	550
	(30%)	(338%)	(27%)	(46%)
Oregon	−1,900	2,250	1,650	1,300
	(36%)	(29%)	(15%)	(17%)
Colorado	−2,950	1,050	900	500

	(14%)	(31%)	(20%)	(37%)
Alaska	3,950	5,800	6,850	6,450
	(31%)	(21%)	(5%)	(6%)
Nebraska	−2,200	1,500	1,900	1,450
	(29%)	(45%)	(13%)	(14%)
Idaho	−1,050	600	1,500	1,200
	(50%)	(89%)	(21%)	(25%)
North Carolina	−650	1,700	1,500	1,300
	(74%)	(43%)	(12%)	(14%)
Utah	−1,950	−450	500	250
	(31%)	(146%)	(36%)	(82%)
Michigan	−250	2,550	800	800
	(189%)	(18%)	(18%)	(18%)
Minnesota	−5,100	3,250	2,200	1,600
	(18%)	(20%)	(11%)	(14%)
Kansas	−2,450	1,150	1,150	850
	(37%)	(57%)	(16%)	(23%)
Pennsylvania	−1,250	1,750	250	250
	(41%)	(23%)	(56%)	(57%)
Iowa	−1,000	2,550	1,550	1,450
	(58%)	(24%)	(14%)	(15%)
New Hampshire	−550	1,750	550	600
	(104%)	(19%)	(26%)	(23%)
Wisconsin	−3,650	1,550	1,550	1,250
	(23%)	(43%)	(11%)	(16%)
Tennessee	−700	1,250	750	700
	(71%)	(60%)	(27%)	(27%)
Arkansas	−1,200	1,650	1,450	1,300
	(89%)	(72%)	(17%)	(18%)
Kentucky	−950	2,400	100	100
	(77%)	(38%)	(156%)	(170%)
South Carolina	150	2,400	550	600
	(441%)	(42%)	(31%)	(28%)
Oklahoma	200	1,950	1,500	1,450
	(345%)	(44%)	(12%)	(12%)
Vermont	250	3,400	1,000	1,150
	(414%)	(16%)	(23%)	(19%)
Indiana	150	1,750	1,050	1,050
	(574%)	(36%)	(14%)	(14%)
Ohio	450	3,650	1,500	1,550
	(153%)	(18%)	(12%)	(11%)
Louisiana	−400	−1,100	−250	−250
	(211%)	(99%)	(97%)	(88%)
Missouri	−150	2,250	1,200	1,200
	(478%)	(37%)	(22%)	(23%)
South Dakota	−550	1,500	1,850	1,750
	(169%)	(42%)	(13%)	(13%)

Alabama	−1,100 (86%)	2,500 (39%)	550 (33%)	550 (35%)
Maine	−350 (360%)	2,450 (17%)	750 (26%)	850 (22%)
North Dakota	3,250 (33%)	5,500 (12%)	5,400 (4%)	5,350 (4%)
Wyoming	1,300 (61%)	3,550 (21%)	3,450 (6%)	3,400 (5%)
Montana	1,850 (54%)	1,250 (69%)	950 (32%)	950 (32%)
Mississippi	1,300 (110%)	2,600 (52%)	1,350 (19%)	1,400 (19%)
West Virginia	550 (250%)	3,850 (24%)	1,500 (18%)	1,550 (17%)
United States	−1,600 (5%)	1,700 (6%)	1,300 (3%)	900 (4%)

SOURCE: Panel estimates implemented on the 2011-2013 CPS ASEC.

NOTE: See text for construction of revenues and expenditures by state and generation. Coefficient of variation (CV) = standard error divided by the estimate; generally estimates with a CV of less than or equal to 10% of the estimate are considered statistically reliable in the profession. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2). Caution should be taken when examining the state-level estimates, especially those near the bottom of the table, because of small first (and second) generation populations for many states.

TABLE 9-19 Average Household Size per Household Unit, by Immigrant Generation by State, 2011-2013

State	Immigrant Generation (Household Units)			
	First	Second	Third+	All
California	3.35	2.85	2.41	2.77
New Jersey	3.13	2.17	2.48	2.60
New York	2.77	2.22	2.34	2.43
Nevada	3.19	2.51	2.36	2.55
Florida	2.70	2.25	2.25	2.34
Texas	3.42	2.87	2.46	2.68
Hawaii	3.31	2.55	2.73	2.81
Maryland	3.20	2.37	2.50	2.60
Arizona	3.00	2.68	2.34	2.49
District of Columbia	2.31	1.84	1.99	2.02
Massachusetts	2.83	2.24	2.52	2.53
Illinois	3.20	2.41	2.34	2.47
Washington	3.23	2.39	2.41	2.53
Connecticut	2.93	2.14	2.49	2.51
Rhode Island	2.81	2.07	2.40	2.41
Virginia	3.33	2.33	2.43	2.52
Delaware	3.37	2.16	2.47	2.55
Georgia	3.11	2.90	2.42	2.50
New Mexico	3.20	2.42	2.37	2.47
Oregon	3.26	2.25	2.34	2.43
Colorado	3.20	2.44	2.39	2.47
Alaska	3.07	2.90	2.43	2.52
Nebraska	3.29	2.31	2.37	2.45
Idaho	3.44	2.52	2.62	2.69
North Carolina	3.23	2.61	2.33	2.40
Utah	3.75	2.92	2.97	3.03
Michigan	2.97	2.20	2.45	2.48
Minnesota	3.27	2.05	2.38	2.42
Kansas	3.05	2.35	2.36	2.41
Pennsylvania	2.76	2.01	2.38	2.38
Iowa	3.12	2.15	2.36	2.39
New Hampshire	2.86	2.17	2.49	2.48
Wisconsin	3.30	2.03	2.35	2.38
Tennessee	3.00	2.11	2.36	2.39
Arkansas	3.39	2.73	2.36	2.42
Kentucky	2.54	2.19	2.36	2.37
South Carolina	3.18	2.41	2.33	2.37
Oklahoma	2.96	2.57	2.43	2.46
Vermont	2.55	2.11	2.36	2.34
Indiana	3.01	2.47	2.46	2.48
Ohio	2.70	2.16	2.39	2.39

Louisiana	2.71	2.14	2.43	2.44
Missouri	2.86	2.32	2.37	2.38
South Dakota	2.98	2.10	2.39	2.40
Alabama	3.26	2.00	2.40	2.42
Maine	2.52	2.02	2.33	2.31
North Dakota	2.54	1.77	2.33	2.30
Wyoming	2.74	2.19	2.41	2.41
Montana	2.64	1.84	2.32	2.30
Mississippi	2.89	2.27	2.47	2.48
West Virginia	2.85	2.15	2.32	2.32
Top 15 states by % in first generation	3.12	2.53	2.39	2.57
United States	3.11	2.46	2.40	2.50

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of household immigrant generation. States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).

TABLE 9-20 Annualized Weighted Sample Cases of Households by Immigrant Generation by State, CPS ASEC, 2011-2013

State	Immigrant Generation (Household Units)			
	First	Second	Third+	All
California	4,165,605	1,909,347	7,290,777	13,365,729
New Jersey	800,286	417,914	2,014,610	3,232,810
New York	1,931,804	938,610	4,799,345	7,669,759
Nevada	221,452	114,295	708,295	1,044,042
Florida	1,633,088	714,054	5,590,941	7,938,082
Texas	1,790,863	897,525	6,734,224	9,422,612
Hawaii	87,836	75,432	298,703	461,970
Maryland	355,518	167,081	1,692,462	2,215,061
Arizona	434,177	288,928	1,840,934	2,564,039
District of Columbia	45,174	25,062	230,009	300,244
Massachusetts	402,195	326,099	1,849,285	2,577,578
Illinois	725,138	398,153	3,941,849	5,065,140
Washington	396,778	262,069	2,011,809	2,670,655
Connecticut	209,041	166,248	1,006,186	1,381,475
Rhode Island	64,911	61,840	302,730	429,481
Virginia	344,930	146,510	2,616,571	3,108,012
Delaware	33,915	17,280	298,211	349,406
Georgia	382,297	116,885	3,286,581	3,785,763
New Mexico	85,943	65,467	650,302	801,713
Oregon	157,829	133,985	1,249,616	1,541,430
Colorado	197,560	148,757	1,659,617	2,005,935
Alaska	25,451	18,874	227,630	271,955
Nebraska	65,732	30,673	639,860	736,265
Idaho	51,831	30,059	507,833	589,722
North Carolina	292,724	142,004	3,429,987	3,864,714
Utah	75,762	56,737	790,040	922,539
Michigan	309,768	242,271	3,310,617	3,862,656
Minnesota	162,845	133,355	1,868,256	2,164,456
Kansas	79,486	45,724	1,027,262	1,152,473
Pennsylvania	332,324	332,286	4,593,236	5,257,846
Iowa	67,251	47,449	1,124,796	1,239,496
New Hampshire	29,221	46,888	444,335	520,444
Wisconsin	108,938	126,223	2,098,162	2,333,323
Tennessee	128,032	61,266	2,444,634	2,633,932
Arkansas	51,843	20,457	1,097,159	1,169,458
Kentucky	91,897	39,889	1,660,988	1,792,775
South Carolina	74,065	35,736	1,746,109	1,855,910
Oklahoma	68,796	51,493	1,393,898	1,514,187
Vermont	10,733	22,360	230,817	263,910
Indiana	103,939	99,918	2,341,293	2,545,150

Ohio	180,261	226,818	4,293,483	4,700,562
Louisiana	67,474	36,549	1,649,038	1,753,061
Missouri	86,649	77,525	2,327,948	2,492,123
South Dakota	11,226	16,247	309,966	337,439
Alabama	67,486	40,388	1,780,690	1,888,564
Maine	20,112	45,719	499,588	565,419
North Dakota	7,936	16,919	266,819	291,675
Wyoming	6,955	9,593	219,098	235,646
Montana	7,903	26,384	394,971	429,258
Mississippi	23,561	16,190	1,097,737	1,137,487
West Virginia	10,119	21,168	751,852	783,140
Top 15 states by % in first generation	13,263,865	6,762,657	40,312,156	60,338,678
United States	17,086,659	9,508,706	94,641,157	121,236,522

SOURCE: Panel tabulations of the CPS ASEC for 2011-2013.

NOTE: See text for definitions of household immigrant generation. These sample counts are the average number of weighted cases classified as households per year in the CPS ASEC files for 2011-2013. The ASEC includes cases in February, March, and April of each year. Because of the rotation group design, by which addresses are in the sample for 4 months, out for 8 months, and in again for 4 months, the total three-year sample double-counts households which are in the sample in pairs of years (2011-2012 or 2012-2013). States are listed from highest to lowest percentage of first generation independent persons in the state's population of independent persons (see Table 9-2).